

Lend the Master
page 7



Students hold up a large Palestinian flag during yesterday's memorial march at Bir Zeit University. (Reuters)

Rabin: Balata boy 'not killed by IDF'

Another day of violence in West Bank, Gaza Strip

By JOEL GREENBERG and DVORAH GETZLER
BIR ZEIT. — A peaceful memorial march was held yesterday at Bir Zeit University but violent disturbances continued in the West Bank and Gaza Strip. Two Palestinian youths were wounded, one critically, and an Israeli and a foreign journalist were hurt.

At Bir Zeit, close to a thousand students and faculty members marched to the university's old campus in a memorial procession for two students killed by IDF troops last week. The marchers, who locked arms and walked mostly in silence, were led by the university's acting president, Gabi Barasani, and by deans and senior university officials. When the procession reached the old campus, the site of last week's clashes, students began singing nationalist songs and chanting slogans.

IDF troops kept out of sight during the march, though a military helicopter hovered overhead. An army jeep moved well ahead and out of sight of the marchers, and a military command car which encountered the procession quickly turned around.

The march began and ended at the

Bir Zeit bypass

By GERSHOM GORENBERG
Jerusalem Post Reporter
A bypass road to serve Jewish settlers will be built around Bir Zeit, the site of violent clashes last week between Palestinian students and the IDF, Housing Minister David Levy promised West Bank settlement leaders yesterday.

Levy made the promise during a meeting with leaders at Psagot, a settlement just outside Al-Bira. Matich Binyamin regional council head Pinhas Wallerstein had complained at the beginning of the meeting that residents of some settlements had to drive through Bir Zeit to get to work and to take children to school, and that the town had been closed to Israeli vehicles for three days because of the disturbances there. (See related story, page 2)

new campus, where a short demonstration was held, addressed by Barasani and student representatives.

In the Knesset, Defence Minister

Rabin said yesterday that the 12-year-old boy who died of gunshot wounds during a demonstration at the Balata refugee camp on Monday "was brought to hospital before the army unit dealing with Balata had fired so much as a single shot."

Rabin was answering two no-confidence motions moved by the Democratic Front for Peace and Equality and the Progressive List for Peace.

Rabin said that he did not want to say anything more at the moment, since an investigation into the boy's death was still under way. But so far, it appeared that the boy had been brought to the hospital before the army opened fire on the demonstrators.

"But the boy didn't die of a heart attack!" interjected Mohammed Miar, who moved the motion for the PLP.

"The sharpshooters who opened fire in Balata were using bullets of a different calibre to the one that hit the boy," Rabin answered.

It was reported last night that a post-mortem on the boy had established that he was not killed by an IDF bullet.

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Rabin to be grilled on handling of unrest

By BENNY MORRIS
Post Diplomatic Correspondent
Defence Minister Yitzhak Rabin is expected to come under sharp attack over the military's handling of the current unrest in the territories when the issue is raised at today's meeting of *savenu*, the Alignment's ministerial policy-making forum.

At least two ministers — Ezer Weizman and Ya'acov Tsur — are likely to criticize the strong-arm policy in the territories which has left four Palestinians killed and more than a dozen wounded by gunfire during the past six days. Other ministers, it is believed, will ask probing questions about the means the security forces are using in quelling the pro-PLO rioting in the territories.

The ministers are also expected to stress that King Hussein can hardly be expected to join an Israeli peace initiative while civilians in the West Bank and Gaza Strip are being shot.

Criticism is also likely to be aimed at Foreign Minister Peres — who is identified with the effort to bring Hussein into the peace process — for doing little to persuade Rabin to order the IDF to use less stringent measures in restoring order to the West Bank's streets.

Sources close to one of the Labour ministers said that "a hardline policy is one thing. Killing youngsters is quite something else. It reminds one of Chile and South Korea. It is frightening."

The sources said that "Labour has no policy vis-a-vis the territories, no platform, no programme. Talking about 'quality of life' is no substitute for a policy."

Government officials were unfazed yesterday by Egypt's reported condemnation of the IDF actions in the West Bank, dismissing them, unofficially, as "nothing new."

Sources close to Prime Minister Shamir last night reacted to the Egyptian protest by saying that it was "very regrettable that Egypt decided to condemn Israeli actions which are geared to assuring security in the territories and to hitting at the PLO terrorists."

The Egyptian protest, reported in the Egyptian media, had not reached Jerusalem by last night.

Foreign Ministry spokesman Elmad Got yesterday reacted to Monday night's Security Council condemnation of Israel for its actions in the territories by saying: "We are not surprised by the one-sided attitude of the Security Council, which did not contribute in the past and is not contributing pre-

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Key figures in Iran scandal take Fifth Amendment

Poindexter and North refuse to testify in probe

By WOLF BLITZER
Jerusalem Post Correspondent
WASHINGTON. — Two former National Security Council officials yesterday refused to testify before the House Foreign Affairs Committee about their roles in the Iran arms scandal, invoking their constitutional right against incriminating themselves.

Vice Admiral John Poindexter, the former adviser to the president for national security affairs, and Lt. Col. Oliver North, the deputy director of politico-military affairs at the NSC, said they would be prepared to testify at "the appropriate time."

North, wearing his heavily decorated Marine uniform, said in one emotional exchange with Democratic Representative Lee Hamilton of Indiana: "I don't think there is another person in America that wants to tell this story as much as I do, sir."

But both North and Poindexter said that their lawyers had strongly advised them against saying anything that could be used in a court of law as part of a possible criminal procedure. Both officers were accompanied to the nationally tele-



Vice Admiral John Poindexter, President Reagan's former national security adviser, puts up a smokescreen during yesterday's Congressional hearing on the Iran arms scandal. (UPI)

vised hearings by a battery of attorneys.

CIA Director William Casey is scheduled to testify today behind closed doors.

Poindexter, who resigned after the disclosure that profits from the Iran arms sale were being funnelled

to the Nicaraguan Contras, provided only one substantive answer during his 30-minute appearance before the panel which on Monday heard more than six hours of testimony from Secretary of State George Shultz and former national security adviser Robert McFarlane. Responding to a question by Republican Representative William Broomfield of Michigan, Poindexter offered his view on the strategic importance of Iran.

"Iran is of extreme strategic interest to the United States because it controls the eastern side of the Persian Gulf and the oil assets that are in that part of the world," he said. "It is essential for the security of the United States and the free world that Iran not be in opposition to the free world. It provides a means for the Soviet Union to gain a warm-water port in the Indian Ocean, which has been a long-term goal of the Soviet Union. So the stability and the security of Iran is essential to the United States."

Both Poindexter and North were repeatedly praised by members of the panel for their government service over the years. North was fired by Reagan — as opposed to Poindexter, who resigned.

Poindexter, after calmly lighting a pipe before the House Committee

(Continued on Page 2, Col. 6)

McFarlane hints Kimche proposal was turning point in policy on Iran

By WOLF BLITZER
Jerusalem Post Correspondent
WASHINGTON. — Former national security adviser Robert McFarlane has told a closed-door session of the House Foreign Affairs committee that former Foreign Ministry director-general David Kimche brought "very convincing" evidence to Washington in early July 1985 about a possible shift in Iran's attitude towards the U.S.

According to sources present during the secret hearing on Monday, McFarlane said that Kimche had persuaded him at that time to explore a possible opening with Iran through Manucher Ghorbanifar, an

Iranian intermediary in Europe with apparently close ties to Iranian Speaker Rafsanjani and Prime Minister Musavi.

McFarlane, during open testimony before the same panel earlier on Monday, had noted that the intervention of "a third country" and "a friendly foreign official" had brought a turning point in the Reagan administration's attitude towards Iran.

Congressional sources said that McFarlane, during his closed-door testimony, named the country as Israel and the official as Kimche.

The *Jerusalem Post* has learned, meanwhile, that even before Kim-

che's visit to Washington, some senior U.S. officials had become receptive to a possible shift in attitude towards Iran, based on other evidence.

According to authoritative sources, the Central Intelligence Agency circulated an assessment in May 1985 that even raised the possibility of a change in the U.S. policy of barring arms transfers to Iran. That report was said to have been prepared by the CIA's national intelligence officer for the Middle East and signed by CIA director William Casey.

A month later, the late Donald Fortier, then the deputy director of

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Austria sends back its envoy

By ILONA HENRY
Jerusalem Post Correspondent and Agencies
VIENNA. — Austria's ambassador to Israel, Otto Pleinert, recalled for consultations after Israel downgraded its representation in Austria, will be returning to his post, Chancellor Franz Vranitzky said yesterday.

Israel's last ambassador to Austria, Michael Elitzur, completed his tour of duty in October and was replaced by a chargé d'affaires. The step was taken to protest against the election of President Kurt Waldheim, who is suspected of Nazi war crimes.

Vranitzky said his government had decided to return its ambassador to Tel Aviv "because there are a lot of elements in Israel who are trying to improve the relationship with Austria, and we want to make a goodwill gesture and show our clear intention to maintain good, correct and normal relations with Israel."

Post Diplomatic Correspondent adds: Israeli officials last night expressed "satisfaction" with Austria's decision. But the officials said that Vienna's decision would not persuade Israel to follow suit and return its ambassador to Austria. "Israel's position remains unchanged," they said.



Rina Nakash accuses MK Shulamit Aloni after yesterday's High Court ruling on her husband's continued detention. (Scoop 80)

Sharir still seeks attorney to defend him on Nakash

By MENACHEM SHALEV
Jerusalem Post Reporter
The search for a senior attorney who would be willing to represent Justice Minister Avraham Sharir before the High Court on the Nakash deportation issue has reached outside the ministry. Renato Yarak, formerly of the State Attorney's Office, yesterday agreed to take up that challenge.

Yarak, the former director of the ministry's High Court division, who left his post several months ago to open a private law firm, met with Attorney-General Yosef Harish and other state prosecution lawyers yesterday afternoon to discuss the matter. He has already been commissioned by the ministry to represent the state in 12 ongoing High Court cases. If his agreement to represent Sharir is finalized, he will be joined by another state attorney.

William Nakash was not present yesterday as the High Court extended his remand in custody till the end of his trial. An expanded panel

of five court justices will hear the case on December 22.

Sources in the Justice Ministry said yesterday that Sharir's affidavit, in which he explains the basis for his decision not to extradite Nakash, will be submitted to the High Court on Thursday.

Sharir has been unsuccessful in persuading Harish to appear personally in the case. The attorney-general, however, is reluctant to defend a cause to which he has been so adamantly opposed.

Despite the belief of most lawyers in the State Attorney's Office that Sharir's position is "indefensible," Harish continues to insist that a senior attorney take up the case. If Yarak is chosen he will sign a contract and will be paid by the Justice Ministry.

Several enraged Nakash supporters, including his wife, Rina, accused petitioner MK Shulamit Aloni and Citizens Rights Movement attorney Avraham Gal as they

(Continued on Page 2, Col. 3)

Porush lambasts 'bloodthirsty leftists'

By DVORAH GETZLER
Post Knesset Reporter
Menachem Porush's cry of "bloodthirsty leftists," screamed at Mapam's Chaika Grossman, had the Knesset in an uproar yesterday at the end of a relatively calm debate on unrest in the West Bank and Gaza and the William Nakash case.

Deputy Speaker Aharon Nahmias pleaded time and again with the Agudat Yisrael MK to retract his remarks. Nahmias, calm and patient, tried gentle persuasion first. But even his good temper became obviously frayed as Porush insisted that it was "leftist upbringing" that had produced the "bloodthirsty" students who had demonstrated earlier this week at the Hebrew University's Mount Scopus campus to protest against the IDF's use of force at Bir Zeit University.

"Of course they're bloodthirsty. They support the PLO, and what is the PLO if it isn't bloodthirsty?" an impassioned Porush shouted.

Nahmias insisted that Porush's remarks — aimed as they were at a former ghetto fighter (Grossman was a leader of the underground in the Bialystok ghetto during World War II) — were totally unacceptable and must be withdrawn.

That, Porush claimed, was censorship, and Nahmias had no right to censor his words.

"You'll go down in history as the man who thanked a speaker who talked of Israel committing genocide, but who silenced me," Porush told Nahmias who had earlier customarily thanked those who had moved the no-confidence motions.

But Nahmias was not to be intimidated. Invoking the House rules, he ordered that no further remarks of Porush's be recorded and ordered him to conclude his speech forthwith.

Porush, however, was determined to have the last word and to protest against a government that spent

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Monday, December 22, 5-10 p.m. at the Ramada Renaissance Hotel, Wolfson St., Jerusalem.

The weather at major Swissair destinations

	9.12.86	MIN.	MAX.	
AMSTERDAM	5	41	54	Cloudy
BRUSSELS	5	39	50	Cloudy
BUDAPEST	10	34	48	Cloudy
CHICAGO	2	34	48	Cloudy
COPENHAGEN	5	41	54	Cloudy
FRANKFURT	1	34	48	Cloudy
GENEVA	5	39	50	Cloudy
HAMBURG	5	41	54	Cloudy
HONG KONG	15	26	48	Clear
JALANDESBURG	14	25	47	Clear
LISBON	13	25	47	Cloudy
LONDON	7	45	58	Clear
MADRID	8	32	43	Cloudy
MONTREAL	-2	4	17	Cloudy
NEW YORK	5	41	54	Cloudy
PARIS	7	45	58	Clear
RUO DE JANEIRO	20	25	35	Rain
SAO PAULO	19	24	34	Cloudy
STOCKHOLM	3	31	44	Cloudy
TOKYO	2	41	54	Clear
TORONTO	-1	12	18	Cloudy
VIENNA	7	45	58	Cloudy
ZURICH	5	39	50	Cloudy

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THE WEATHER

Forecast: Local showers in north and centre of country.

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Min-Max
Jerusalem	59	6-14	13
Golan	72	-11	11
Nahariya	89	-14	15
Safed	69	5-8	8
Haifa Port	68	-13	15
Tiberias	75	8-14	15
Nazareth	94	7-10	12
Afula	84	8-13	14
Sharon	61	7-13	13
Tel Aviv	62	11-18	18
B'nei Brak	66	10-18	18
Jericho	43	-20	20
Gaza	40	-10-19	19
Beersheba	45	5-18	18
Eilat	30	8-21	21

Rainfall in millimetres for the 24 hours ending 8 p.m. last night: Jerusalem 2, Safed 20, Tiberias 11, Nazareth 2, Afula 20, Sharon 21, Tel Aviv 18, Ben-Gurion Airport 3.

SOCIAL & PERSONAL

The Acting Speaker of the Knesset, Aharon Nibmias, yesterday gave a lunch at the Knesset for the president of the Costa Rican National Assembly Dr. Rose Marie K. de Murillo.

Nibmias also received at the Knesset yesterday the Governor-General of Barbados, the Hon. Sir Hugh Warren Springer, and Lady Dorothy Drivan.

Christian Broadcasting Network correspondent Peter Darg is to speak today on "American media perceptions of Israel" at the Jerusalem Rotary Club meeting at the YMCA at 1 p.m.

The Haifa Rotary Club's weekly meeting will be held at 1 p.m. today at the Shulamit Hotel. A member will talk on "My Job."

ARRIVALS

Henry A. Roth, chairman emeritus of the International Board of Trustees, Kiryat Sanz Laniado Hospital, on the occasion of the visit of the American undersecretary of health and human services, Don M. Newman.

LOTTO. - In yesterday's drawing of the national lottery, the following numbers were picked: 2, 3, 6, 12, 15, 37, and the additional number, 14.

HOME AND FOREIGN NEWS

'U.S.-Israel ties remain strong' despite arms affair

By JONATHAN KARP

TEL AVIV. - Relations between Israel and the U.S. are "strong, solid and enduring" despite the recent exposure of the arms affair with Iran, U.S. Senator Edward Kennedy said here yesterday, after arriving for a four-day visit.

"We [the U.S. and Israel] have too much in common, we share too much history, we have come through too much together, side by side in a dangerous world, to permit such incidents to intrude upon the warmth and strength of our friendship and our commitment," the Massachusetts Democrat and former presidential candidate, told a small gathering of reporters.

Kennedy refused to comment on the recent violence on the West Bank, saying only, "I think it's important when one arrives that one listens and learns."

The senator was invited by the Ben-Gurion University of the Negev, which last night awarded him an honorary doctorate. He is being accompanied by his sister, Jean Smith.



Senator Edward Kennedy on arrival at Ben Gurion Airport yesterday. (Brutmann)

Kennedy said he would meet with Israeli leaders to seek "more effective ways in which the U.S. Congress can assist in the pursuit of a lasting peace, a strong economy, a true security for Israel and its people."

He also plans to meet West Bank leaders.

Because he will have more responsibility on the powerful Armed Services Committee when the Democrats take control of the Senate in January, Kennedy said he would speak with military leaders here as well. He is scheduled to visit an air force base tomorrow.

At the Beersheba ceremony last night, looking up at the stars, Senator Kennedy quipped: "It seems that everyone is a president up here, except for me."

Reuter reports from Poland:

In Warsaw, a government spokesman last night announced that Kennedy will not be allowed to visit Poland over Christmas. The senator had planned to present the Robert Kennedy Memorial Human Rights Award to two leading Polish dissidents.

At Ben-Gurion Airport last night Kennedy refused to comment on the report.

VIOLENCE

(Continued from Page One)

Elsewhere in the West Bank yesterday a youth was lightly wounded in the leg at the Dehaishe refugee camp near Bethlehem when troops dispersed demonstrators who had attacked them with stones after hurling rocks at passing vehicles. A rock was thrown through the back window of a car carrying foreign journalists south of Ramallah, wounding Reuters correspondent Bernard Edinger.

In Nabulus, troops shot rubber bullets at stone-throwers in the old market, but there were no casualties. The curfew in the neighbouring

At Bir Zeit yesterday, words took the place of stones. Students marching in a peaceful memorial procession sang nationalist songs and chanted slogans which bluntly reflected the political sentiment behind the current disturbances in the territories. "National unity in the difficult revolution. Revolution against Zionism. We shall free Palestine," the students chanted.

"World, hear our voice, we will not lay down our arms until we are free. With spirit and blood we shall redeem you, Palestine; with spirit and blood we shall redeem you, martyr." Songs also urged the PLO to victory in its battles in Lebanon with the Shi'ite Amal militia.

Balata refugee camp remained in force. In Ramallah, Al Bira and East Jerusalem, stores reopened after a commercial strike that lasted three days.

In the Gaza Strip, a 16-year-old youth was seriously wounded at the Breij refugee camp after he tried to grab a club from a soldier during a demonstration. Troops who arrived at the scene to break up the protest shot in the air and then at the youth seriously wounding him in the head and waist. He was hospitalized in Gaza and later transferred in critical condition to Sheba Hospital, Tel Hashomer.

Levy to submit plan for six new settlements

By GERSHOM GORENBERG

Jerusalem Post Reporter

Six new Jewish settlements in the territories are included in a plan which Housing Minister David Levy is now completing, a Housing Ministry official told *The Jerusalem Post* yesterday.

Levy told Gush Emunim leaders that he would submit the finished proposal to Prime Minister Shamir next week and that talks would then begin with the Alignment on coalition approval of the plan.

Meeting with Gush leaders at Elon Moreh, Levy said the plan would include settlements in the Gaza Strip, the southern Hebron hills, the greater Gush Etzion area, and northern Samaria.

During the meeting, Kiryat Arba councilor Elyakim Hs'etzi lashed out at the Likud for not speaking "loud and clear" on new settlements

since the rotation in the premiership. If a Likud minister did not begin to press the matter in the government, he declared, the Gush "will go back to the old methods of clashes and hunger strikes at settlement sites."

Uri Ariel, the head of Gush Emunim's Amman settlement organization, called on Levy to push for the establishment of 15 new settlements in the territories.

Levy announced during the meeting that construction had begun yesterday on a new housing project in the Jewish Quarter of Hebron. Ze'ev Friedman, a released member of the Jewish terror underground and head of the Association for the Restoration of the Jewish Quarter in Hebron, said the new project included 13 housing units as well as community facilities and would be completed in a year.

Shamir backs Israel's right to secrecy

By LEA LEVAVI

Jerusalem Post Reporter

TEL AVIV. - Some countries refuse to deal with Israel because they know they cannot expect secrecy, Prime Minister Shamir said yesterday.

Speaking to a meeting of editors of weekly magazines here last night, Shamir said, "The public's right to know is important, but in a country surrounded by enemies you have to ask yourself which is more important, the right to know or the right to stay alive."

"The government has a right and

duty to defend its citizens and that sometimes means keeping some facts secret, at least temporarily..."

Shamir said the current wave of violence in Judea, Samaria and Gaza is nothing new and is a periodic manifestation of the frustration that radical elements feel at not being able to advance through terror and violence.

Shamir said it was important to remind people of the fine work done by the IDF and security forces so that they will feel appreciated and will know that criticism comes only from the minority.

ITV out of plots for crime show

By GREER FAY CASHMAN

Israel Television's controversial Crime Investigation programme has been temporarily removed after only two showings. Though the program-

me, which re-enacts unsolved crimes, drew a strong response from the public, TV officials say there are not enough hair-raising cases to hold public interest.

Shamir, Peres tight-lipped before Knesset defence panel

Post Knesset Reporter

The case of alleged nuclear spy Mordechai Vannun was described yesterday by Premier Shamir as a "serious mishap." Talking to the Knesset's Foreign Affairs and Defence Committee, Shamir said that lessons had already been learned from the affair and recommendations had been formulated to ensure there would be no repetition of the offences attributed to Vannun.

Foreign Minister Peres was even more tight-lipped than Shamir. Quizzed on alleged Israeli arms sales to Iran prior to this year, Peres remained adamantly silent.

"Do I owe you an answer?" was his answer when pressed by Mapam's Elazar Granot.

The two leaders apparently came to the meeting with the intention of staving off criticism by members of the committee that they did not receive sufficient information on the country's diplomatic moves; little of substance was wrung from them.

As one participant had it: "Shamir spoke little and said nothing."

But the premier did promise that more information would be given to

the sub-committee which, unlike the parent body, is said to be leak-proof. Yossi Sarid (Citizens Rights Movement) accused Peres of taking in vain the name of the hostages Iran held.

Had there not been similar deals with Iran between 1982 and 1984, when there had been no question of swapping hostages?

Granot pressed for more details: What had been Israel's previous arms deals with Iran? When had they taken place, and what had been their extent? he wanted to know. Had Industry and Trade Minister Ariel Sharon been lying when he said in newspaper interviews that Israel had sold Iran arms even before 1986?

"Do I owe you an answer?" Peres asked.

"Yes," replied Granot. "Yes, you do, because this isn't a private conversation we're having. It's a committee meeting."

Committee members were divided on the extent to which the committee needed to know details of the Iran arms deal, with Eliahu Ben-Eliassar (Likud) believing that it would be sufficient if the information was given to the sub-committee.

In the opinion of former chief-of-general-staff Rafael Eitan (Tehiya), who has frequently protested against committee leaks and wants to legislate against leakers, the late sanctions against leakers, the committee bore no legal responsibility and thus could not be said to be derelict in its duty if it permitted itself to be kept in the dark.

"Then why are you a member?" he was asked.

"To keep Geula Cohen out," quipped Labour's Micha Harish - in a reference to the rift between the Tehiya Party colleagues. "Not true," said Eitan. "We were offered two seats, but made do with one."

Peres said that he himself opposed any Israeli involvement in the Iran-Iraq war. Israel had good reasons for not favouring either side.

On the issue of the forthcoming visit of President Helmut Kohl to West Germany, Peres said: "The president is the mouthpiece of the government, just as the Queen of England is of hers."

"That's odd," said Sarid. "When the Shin Bet pardons were under discussion you told us that the president was sovereign and that no one could dictate to him what to do."

'Nasser ordered Dakar sunk'

By Post Middle East Staff

An Egyptian naval squadron sank the Dakar submarine in 1968 at the order of former president Gamal Abdel Nasser, according to the vice-admiral who commanded the squadron.

The submarine was lost on its maiden voyage in January 1968 and no traces of it have been found.

"We carried out the mission near Egyptian territorial waters west of the town of al-Dakhila on January 25," Vice-Admiral (res.) Samir Sha-labi told the Egyptian *A-Shaab* weekly.

"Our underwater detection systems discovered a hostile target. We reported to President Nasser, who ordered the naval command to locate the target and hit it. Nasser was concerned over a possible attack by Israeli frogmen."

"Seventeen kilometres from shore we made contact with the sub. I gave the order and we dropped 36 depth charges on it, and reported on our success." The Egyptian naval officer added: "Helicopters that arrived on the scene searched for remains of the sub, but there were none."

He was 'safer' in Israel

CLEVELAND (Reuter). - Mayor George Volonovich found himself in hot water yesterday, and facing a cold homecoming, after remarking during a visit to Israel that he felt safer there than in some parts of Cleveland.

The mayor "is due back in Cleveland on Friday - unless he is detained at the border because of foot-in-mouth disease," *The Cleveland Plain Dealer* said in an editorial in yesterday's editions.

Roth also told the court that Nakash's extradition could not be carried out anyway, because a Jerusalem Rabbinical Court had responded to an appeal by Nakash's wife and had issued an order which will be prohibiting Nakash from leaving the country, in effect till March 31, 1987.

The court rejected Roth's request that Nakash be placed under house arrest. Leaving the courtroom, Rina Nakash said that "leftists are running the country."

left the High Court chambers yesterday following the hearing. A sobbing Rina Nakash accused Aloni of "drinking my husband's blood" and of "hating Jews and loving the PLO."

After several futile attempts at a dialogue, and as the heckling from Nakash's supporters grew increasingly ominous, Aloni was whisked away from the scene by CRM MK Dedi Zucker and an aide. At yesterday's hearing, the state did not object to Nakash remaining



Sephardi Chief Rabbi Mordechai Elihu examines an oven designed to operate automatically on Shabbat yesterday on a tour of the Jerusalem Institute for Science and Halacha. (Rahamin Israeli)

POINDEXTER

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yesterday, said: "If you should insist on my testifying at this time, I will respectfully and regretfully have to decline on the advice of my counsel."

Some 40 minutes later, North, like PoinDEXTER accompanied by his lawyer, made a similar plea.

McFarlane, meanwhile, was reported to have told the closed door session of the House Foreign Affairs Committee on Monday that White House Chief of Staff Donald Regan had participated in all the initial meetings on the Iran arms initiative. There is mounting pressure on Regan to resign, even though President Reagan is urging him to remain on the job.

Reagan has pledged to cooperate fully in all investigations into the 18-month-long secret White House initiative which he said was to improve strategic relations with Iran, and the six-year-old Iran-Iraq war, stop Iranian support for terrorism and free U.S. hostages in Lebanon.

Some critics have said the silence of major former aides at the hearings ran counter to that pledge. But analysts say there could be a genuine conflict between the president's wishes and the individuals' legal and constitutional rights in the event of possible criminal proceedings.

Asked yesterday if he had been watching the televised congressional hearing, Reagan smiled and told reporters: "Now and then when I can't find a ball game."

RABIN

(Continued from Page One)

sently in the struggle against terrorism."

He termed "mistaken" the U.S. decision to abstain rather than veto the resolution.

The Security Council resolution, passed 14-0, deplored the killing and wounding of "defenceless students" in the West Bank by Israeli troops.

U.S. sources said the American delegation had not supported the resolution because it felt that Israel did not bear full responsibility for the West Bank violence.

Israeli officials last night downplayed the significance of the American vote, saying that in the past Washington had refrained "a number of times" from using its veto to "protect" Israel. Most recently, the U.S. last year allowed the Security Council to pass a resolution condemning the Israeli raid on PLO headquarters in Tunisia.

The officials said that the question now was whether the distur-

ances in the territories were "a passing phenomenon or whether they will continue beyond the coming days. The possible effects of the disturbances on the diplomatic process in the region will depend on the answer to this question."

But meanwhile, one official said, there could be no pursuit of the peace process "so long as Israel is busy restoring order in the territories."

Former U.S. ambassador to the UN Jeane Kirkpatrick said yesterday that the standards of the world body were again in question because it focused on the shooting incident at Bir Zeit while ignoring "the slaughter of hundreds of Palestinians refugees in the camps in Lebanon."

Addressing a Knesset luncheon for delegates to the Jeane Kirkpatrick Forum on Local Government, she said the basic problems of the UN were given simple illustration by its selective attitude on the two issues.

NAKASH

(Continued from Page One)

left the High Court chambers yesterday following the hearing. A sobbing Rina Nakash accused Aloni of "drinking my husband's blood" and of "hating Jews and loving the PLO."

After several futile attempts at a dialogue, and as the heckling from Nakash's supporters grew increasingly ominous, Aloni was whisked away from the scene by CRM MK Dedi Zucker and an aide. At yesterday's hearing, the state did not object to Nakash remaining

in jail. Nakash's attorney, Roland Roth, claimed that his client should be released because there was "no chance" that the court would decide to overturn Shari's decision. He cited reports of former justice minister Yitzhak Moda'i's decision not to extradite his client, and a promise to the same effect allegedly given by former prime minister Peres to demonstrators in New York, as proof that the decision against extradition

was "reasonable and not arbitrary."

Roth also told the court that Nakash's extradition could not be carried out anyway, because a Jerusalem Rabbinical Court had responded to an appeal by Nakash's wife and had issued an order which will be prohibiting Nakash from leaving the country, in effect till March 31, 1987.

The court rejected Roth's request that Nakash be placed under house arrest. Leaving the courtroom, Rina Nakash said that "leftists are running the country."

The Anti-Defamation League of B'nai B'rith
mourns the passing of
RUTH TAL
and extends sincere condolences to
ELIAHU AND FAMILY

On the Eighth Yahrzeit
of
GOLDA MEIR
Jean and Sam Rothberg

In deep sorrow, we announce the death of
JOSEPH ELI TAMMAN
who passed away in Geneva, Switzerland
on Tuesday, December 9, 1986.
We mourn his loss.
His sons: Albert, Leon, Gabriel, Zaki
His daughters: Renée Gaon, Lily Hirsch
His sisters, brothers, grandchildren,
great-grandchildren, and families

We extend our condolences to MR. LEON TAMMAN
on the loss of his father
JOSEPH ELI TAMMAN
Yehezkel Ben David and Family
Moshe Ben David and Family
Shlomo Ben David and Family

To the
TAMMAN AND GAON FAMILIES
We share your grief on the death of the father of
the family, a very dear man.
JOSEPH ELI TAMMAN
Aharon Uzan
President,
World Sephardi Federation
Asher Orayon
Director,
Sephardi Communities Dept.
WZO
To the
TAMMAN FAMILY
and to the
GAON FAMILY
With you, we deeply mourn for the father of the family
JOSEPH
Aharon Uzan
President, Council of
Keren Beyahad
Sam Ben-Chetrit
Chairman, Keren Beyahad
Executive

With deep sorrow, we announce the passing of
ISAAC GINSBERG
The funeral will take place today, Wednesday, December 10, 1986
at 4 p.m., at Kibbutz Tzora.
Belle Ginsberg, Kibbutz Tzora
Ralph and Zahava Ginsberg and Family, Kibbutz Tzora
Anni and Moti Levy and Family, Tel Aviv
Aubry and Meryl Ginsberg and Family, Talmi Yafa

Chirac seeks to rally ranks New march in Paris today

PARIS (Reuters). — Gaullist Prime Minister Jacques Chirac yesterday sought to rally his shaken coalition ranks after his climb-down on university reform as students prepared new demonstrations for today to mark their bitter-sweet victory under the slogan "Never again."

Parliamentary sources said Chirac met leaders of his rightist RPR group for an hour yesterday morning. He addressed deputies of the RPR-UDF alliance, who hold a slender majority in the National Assembly, in the afternoon.

Socialist President Francois Mitterrand is widely reported to have urged Chirac to withdraw the controversial reform measure.

Political commentators say Chirac has been plunged into his gravest crisis since he ousted the Socialists from five years in office in the March

general elections and began a delicate power-sharing — "cohabitation" — with President Mitterrand.

Law and order was a main plank of his programme, and the higher education bill now withdrawn was aimed at improving the university structure, quality of tuition, and employment prospects for graduates.

The students opposed the bill, saying it was elitist and favoured the rich.

Mitterrand last night described Chirac's decision to withdraw the higher education bill as a "wise decision" but one taken too late.

Mitterrand confirmed that he had directly asked Chirac to withdraw the higher education reform.

Interviewed on radio, Mitterrand spoke a few hours after Chirac had announced a delay on other reform measures to his parliamentary supporters and the cancellation of a

special National Assembly session planned for next month.

Among the bills postponed will be one authorizing the building of American-style private prisons and another reforming the French code of nationality.

A statement issued by the students' 14-member coordinating committee said mass marches in protest against the death of 22-year-old Malik Ousseine after a police beating in the weekend Paris violence — worst since the student revolt of May 1968 — would be under the watchwords "Never again."

The statement recommended that today's marches be held in the fullest calm and silence. They were aimed at expressing the sentiment "never again to the Devaquet bill, never again police repression causing death and injuries."

Nine killed in Zambian food riots

LUSAKA (Reuters). — At least nine people have been killed in continuing food riots in Zambia's central copperbelt, the state-run news agency Zana said last night.

Radio Zambia said President Kenneth Kaunda had declared a 6 p.m. to 6 a.m. curfew in the area.

Angry crowds sacked government buildings, looted shops and burned cars as police backed by paramilitary units fought to restore order in the towns of Kitwe and Ndola. Police had fired on stone-throwing crowds.

The disturbances were sparked off by a 120 per cent rise last Friday in the price of maize meal, one of Zambia's staple foods, after a government decision to abolish maize subsidies as part of an austerity programme.

Zana said the riots started on Monday in Kitwe and later spread to Ndola, the administrative capital of the copperbelt. State-controlled media maintained a news blackout on the disturbances until last night.

The agency said police had confirmed at least three deaths: a man whose shop was stormed, a policeman stoned to death by rioters and a rioter shot dead by police.

Kitwe district governor Bill Chanda was beaten up, but no details of other casualties were available.

All shops and businesses in Kitwe and Ndola are closed. Many shops and government buildings have been looted and public transport is at a standstill, Zana said.

It said Kitwe had been sealed off to traffic and rioters were beating anyone trying to get to work.



Professor Santa Claus addresses colleagues during a "Christmas Seminar" held at the Berlin technical university yesterday. The seminar is meant to prepare Santa Claus students for the forthcoming festival. (AFP telephone)

Sandinistas invade Honduras

TEGUCIGALPA (Reuters). — Nicaraguan and Honduran troops exchanged fire across the border yesterday and officials said about 1,000 Sandinista troops in Honduras appeared to be holding their ground.

Honduran troops were airlifted to the border region in El Paraiso Province over the weekend in U.S. military helicopters in an effort to oust the Sandinista troops pursuing U.S.-backed Contra rebels.

Honduran military officials and a U.S. official, who asked not to be named, said the Nicaraguan troops were holding their ground. A witness to the fighting said Honduran and Nicaraguan troops shot at each other sporadically for several hours.

U.S. officials in Washington have acknowledged the airlift but say the aircraft were unarmed and that U.S. personnel have not gone into combat areas.

Lieutenant Rene Galeano, head of the Cifuentes outpost, said the shooting began after a rocket-propelled grenade fired from Nicaragua ripped through a pickup truck, seriously wounding the driver.

U.S. helicopters on Monday flew Honduran troops from the 2nd Airborne Battalion at Tamara, near Tegucigalpa, to the U.S.-built airstrip of Jamastran, 30 km. from Nicaragua.

In Washington, White House spokesman Larry Speakes said about three companies of Honduran troops — a force that would number several hundred men — were airlifted during the operation.

Honduran Major Mikidias Martinez of the 2nd Battalion declined to give casualty figures for Honduran troops but cited a newspaper report that seven had died and seven had been wounded in combat with Sandinistas.

Over the weekend, Honduran Air Force jets bombed and strafed the Honduran town of Capire, 140 km. southeast of Tegucigalpa, and a handful of hamlets where Sandinista troops chasing Nicaraguan rebels have set up camp.

In Israel, the Honduran embassy released the copy of a statement on Monday by the Honduran acting foreign minister, Guillermo Caceres Pineda, protesting to the Nicaraguan foreign minister against the armed invasion by the Sandinistas which it termed an act of aggression.

The statement said that some 200 Sandinistas attacked and captured Honduran outposts 7 km. inside the border defended by only 15 men, wounding three and capturing two. The attack was regarded as an "unjustified" and "hostile" act. Honduras, it said, demanded an explanation for this act and further demanded the return of the prisoners and the equipment seized. An armed forces statement pledged to continued its defensive measures and to oust the invaders.

Shi'ites fight Palestinians for 16th day

BEIRUT (AP). — Palestinians and Shi'ite Muslims battled for the 16th day in Beirut and South Lebanon yesterday as the Soviets disclosed they are working behind the scenes to end the fighting after Arab efforts foundered.

Soviet ambassador Vassili Kolotcha said yesterday after meeting Parliament speaker Hussein Husseini, a Shi'ite, that Moscow was engaged in mediation efforts to stop the bloodletting.

Police said 20 people were killed and 65 wounded around South Lebanon's strategic hilltop town of Magdoush and Beirut's Shatila and Bourj al Barajneh refugee camps.

The casualties raised the known toll from the fighting between Palestinians and the Amal militia to 460 killed and 1,046 wounded since November 24.

The Syrian-backed Palestine National Salvation Front said 8,800 Palestinian refugees have been "forced to flee their homes" in Shi'ite-controlled districts of West Beirut and take refuge in neutral Druse areas since the latest round of the so-called "camps war" broke out.

Iranian, Libyan and Syrian mediators have announced several cease-fire accords in the last five days during intensive talks in Damascus, the Syrian capital. But none has yet halted the fighting.

The cease-fire efforts have all foundered on who will occupy positions around Magdoush seized by the Palestinians from Amal on November 24.

In Baghdad, PLO Chairman Yasser Arafat said yesterday that 2,500 Palestinians had been killed or wounded by Shi'ite Muslim Amal militiamen in recent fighting.

Shultz in London to rebuild confidence

LONDON (Reuters). — U.S. Secretary of State George Shultz plunged into a diplomatic mission to rebuild confidence in America's foreign policy yesterday after charging that White House aides misled him over the arms-to-Iran scandal.

Shultz met Foreign Secretary Sir Geoffrey Howe after telling reporters on his plane from Washington: "I have a rebuilding job to do and this is what I am going to try to do on this trip."

As he began his talks, the U.S. embassy confirmed that American envoys from the Middle East assembled in London along with Assistant Secretary of State Richard Murphy, who is responsible for the area.

Israeli sources said the ambassadors had been called to London to confer with Shultz, who on Monday had revealed that Beirut ambassador John Kelly was secretly involved in White House arms shipments to Iran.

Shultz was due to confer later yesterday with French Foreign Minister Jean-Bernard Raimond and West German Foreign Minister Hans-Dietrich Genscher ahead of the annual Nato Foreign Ministers Council in Brussels tomorrow.

The four are holding their annual consultations on the city of Berlin, still controlled by the World War II victor powers.

Shultz is expected to take the opportunity to reassure the European leaders that Washington was working to reaffirm the cohesion of its foreign policy after the Iran crisis.

Though they have largely avoided public statements, European leaders are concerned that a weakened U.S. administration could tempt the Kremlin to seek advantage.

Asked about this on his plane, Shultz said: "There isn't any present weakness of the United States. There is nothing to exploit."

UK said lax on arms deals

By DAVID HOROVITZ
Jerusalem Post Correspondent

LONDON. — Britain's government has been lax in allowing Iranian arms deals to be conducted in London, Labour leader Neil Kinnock charged yesterday.

Speaking in the House of Commons, Kinnock said it had become clear that numerous meetings to arrange arms sales to Iran from various sources had been held in London.

According to Iranian exiles in London, top Khomeini officials flew here repeatedly to meet with Israeli arms salesmen, in discussions authorized by Ayatollah Khomeini himself.

The exiles, quoted in yesterday's Independent newspaper, discounted continued Iranian claims that Teheran did not know it was purchasing arms from Israel.

Iran's parliamentary defence committee chairman met at least twice here in July with Israeli arms dealer Ya'acov Nimrod, said the exiles. Al Schimmer was present at the second of these meetings, they added.

Soviet dissident dies in prison

MOSCOW (AP). — Soviet dissident Anatoly Marchenko, a founder of the Helsinki watch group, has died in prison, a friend of Marchenko reported yesterday.

Marchenko's wife, Larisa Bogoraz, immediately left for Chistopol prison with their 13-year-old son Pavel, the friend said.

Marchenko, 48, was one of the most prominent dissidents in the Soviet Union and was a member of the now-disbanded group that attempted to monitor Soviet compliance with the 1975 Helsinki accord on human rights.

Bogoraz received word of her husband's death in a telegram that arrived last night. The telegram did not say when Marchenko died or give the cause of his death.

The 10-year sentence was to have been followed by five years internal exile, which would have run until 1996.

Soviet authorities, however, had recently been pressuring Bogoraz to apply for permission for herself, Marchenko and their son to emigrate to Israel. Bogoraz is Jewish, but has no relatives in Israel. Her husband was not Jewish.

Philippine truce today

MANILA (AP). — A government negotiator announced yesterday an agreement had been reached in a weapons dispute between Communist rebels and the military, and said the 60-day ceasefire would go into effect as scheduled.

"We have reached an agreement for the ceasefire agreement to take place as scheduled tomorrow at noon," negotiator Teofisto Guingona said.

The dispute, which centred on the right of the rebel New People's Army to carry weapons, had threatened to delay the ceasefire, the first nationwide truce in the 17-year insurgency.

Under the agreement, Guingona said, the rebels have agreed they will not enter populated areas with their weapons.

There was no immediate comment from the Communist-dominated National Democratic Front to the statement.

Guingona said police patrols would be limited to units of the integrated national police, a branch of the Defence Ministry, and would be aimed at protection from common criminals.

Guingona said the agreement followed two meetings yesterday between government officials and the NDF, which signed the ceasefire pact on November 27 on behalf of the rebels.

Earlier, the army said Communist rebels killed five people yesterday in a pre-dawn raid on the eve of the planned ceasefire.

In Davao City, area commander Brig. Gen. Romeo Recina reported that rebels killed three militiamen, a woman and a child. They also burned the detachment headquarters before fleeing.

He said he sent helicopter-borne troops to pursue the rebels, but would call back his forces by noon today at the start of the ceasefire.

Moslem riots in southern India

BANGALORE (Reuters). — Moslem rioting over a newspaper story headlined "Mohammad the idiot" spread to a third South Indian city yesterday as the death toll from police gunfire rose to 16 in three days of disturbances.

Police in Bangalore said they opened fire twice in Tumkur, a district headquarters town of 1.6 million about 50 km north of here, to disperse a stone-throwing mob of 3,000. One person was killed.

The riots began on Monday in Bangalore when some 5,000 Moslems tried to burn down the offices of the Deccan Herald newspaper which published the story about a handicapped boy named Mohammad on Sunday.

Shipments, intended mainly for United rebels fighting the Marxist regime in Angola.

The arms transfers included a 40-ton shipment of machine guns from the Honduras.

Arms to South Africa in defiance of boycott

LONDON (Reuters). — The U.S. made a number of arms shipments to South Africa, in violation of American law and of a U.N.-imposed embargo, according to the daily The Independent. It said some European countries were also involved in the

shipments, intended mainly for United rebels fighting the Marxist regime in Angola.

The arms transfers included a 40-ton shipment of machine guns from the Honduras.

UK arms traders keep Iranians supplied

By SIMON DE BRUXELLES
and FARZAD BAZOFT

The businessman produced a sub-machine gun from beneath the front seat of his BMW, parked in the centre of London, and said: "We can get any arms you want."

He is just one of the many London-based middlemen and arms traders who have helped keep the Iranian war machine in motion for the six years of the Gulf war, despite a supposedly international embargo.

Among the weapons he claimed to be able to supply were surface-to-air missiles, and as many high-explosive shells as we could afford.

It was business as usual in the London arms market last week, de-

spite the debacle over the shipment of American weapons to Iran. And experts predict that it will get even busier now the U.S. has led the way breaking its own embargo.

It is in London that Ayatollah Ruhollah Khomeini spends an estimated £3-£4 billion a year on the arms needed to continue his war with Iraq.

The Observer contacted the businessman — known to have been involved in previous deals — and arranged a meeting "on behalf of Iranians!" He was presented with a "shopping list" of arms that included the latest British and American military hardware.

With the butt of a Colt pistol

sticking out from his trouser waistband, he said: "Basically all the items on the list we can supply. We can supply anything you could ever want."

He added that he was acting on behalf of "private individuals" who would proceed with the deal once there was evidence the money was available and in a "serious" Western bank.

"No Iranian or Arab bank will do," he said. "Preferably British, American or Swiss."

The £12 million we said was available he described as "chicken feed." It would have been payable on delivery.

The businessman, who we are not naming for legal reasons, is one of dozens of British and Middle Eastern arms dealers who have been keeping Iran supplied throughout the war. And not just with weapons. Iranian dealers were making inquiries last week for 2 million doses of an anti-nerve gas agent.

Britain itself has supplied £100 million worth of spare parts for Chieftain tanks and Scorpion armoured cars. Rolls-Royce engines for naval vessels, and three ships — all on the grounds that they were ordered and paid for under the Shah's regime.

The government is also allowing the sale of 3,000 Land-Rovers and British-built radar systems on the grounds that this is "non-lethal" equipment.

Two landing ships handed over to

the Iranian navy in the summer of 1985 were stripped of their armaments before delivery, but their main purpose was still to land up to 400 troops and six tanks on an enemy shore. At the time, the Ministry of Defence claimed the £20 million vessels were to be used as hospital ships.

The British government has apparently done better than most in resisting the temptation to make a lucrative profit selling arms to Iran. Or it has covered its tracks more thoroughly.

"There are ways of keeping these things so quiet they never come out," said Hamilton Spence, managing director of Interarms of Manchester, a leading British arms company. "There is a lot of speculation about how Iran has been supplied with the massive amount of weapons it needs. Most of it is either wrong or is deliberate disinformation."

"There are very few private individuals acting on their own account. It is nearly all down to governments."

With the possible exception of Britain and the Scandinavian countries, I would say every country in Europe has been supplying its weaponry to the Iranians.

Interarms is frequently asked to supply military equipment that can only be heading for the Gulf.

Spence said: "We just quietly show them the door. We want to sleep at night."

Other sources told The Observer that Belgium, Italy and Austria have all supplied large quantities of hardware — from missiles to artillery and munitions-making equipment — within the past year, and Holland is selling two 800-ton landing craft.

Weapons have also been bought from North Korea, China, Israel, Syria, Brazil, Argentina, Libya, Vietnam and the Soviet Union, not to mention the U.S.

And while investigators in the U.S. are trying to unravel the tangled arms-to-Iran, cash-to-the-Contras scandal, in London's shadowy arms market, dealers in death continue to make a killing.

(London Observer Service)

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A comprehensive circular is now being sent out to purchasers, giving a detailed report, and including the terms applying to joining the Association of purchasers (for those who have not yet become party to the agreement).

To obtain details, contact the offices of the Association, Tel. 03-571508, 371433, 381255.

For the information of members: the first cheque, dated December 7, 1986, of those deposited with the trustee, will be presented for payment today, December 10.

A. Yehudai, Chairman
Y. Gorali, Deputy Chairman
Z. Charneski
S. Gutentag
B. Lahav

Y. Zalibenski, Adv.
A. Hazakal
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Professor Ruth Gavison on civil rights in Israel:

'Problems, not a moral catastrophe'

By MENACHEM SHALEV

Most days of the year, the main function of the Israel Association for Civil Rights is to cry out incessantly whenever someone's rights are being trampled under the boot of the authorities. Today, however, is International Human Rights Day and the Association's head, Prof. Ruth Gavison, is willing to loosen up and admit that, generally, and compared to the rest of the world, the civil rights situation in Israel isn't all that bad.

International Human Rights Day was declared by the UN to commemorate the December 10, 1948, adoption of the Universal Declaration of Human Rights. "Israel adheres rather adequately to most of the principles of the declaration," says Gavison.

In some cases, such as the non-imposition of the death penalty, Israel has even stricter standards than those prescribed by the declaration. In other cases, most notably in the lack of the right to marry a partner of any religion, race or nationality, Israel's record falls far short of the UN-inspired standards.

Gavison, a Hebrew University law professor, says that when it comes to the treatment of the mentally ill, the rights of suspects, arrests, police

brutality and women's rights, Israel has a "very impressive" record vis-à-vis the other democracies.

Civil rights violations occur *en masse*, however, in the areas in which Israel is in a special category: the security situation, marked as it is by wars and terrorism, engenders justified fears which might necessitate measures that encroach on civil rights. "But there is always the possibility that 'defence needs' are cited as a cover for very different objectives," says Gavison.

She cites the case of the administrative detention orders issued against Druse leaders in the Golan Heights after the application of Israeli law there in 1981. The Haifa District Court subsequently overturned the orders which, Gavison says, shows that the "review system in Israel—as opposed to the situation in the occupied territories—is very effective."

The existence of a large ethnic minority identified with Israel's enemies. "On paper," says Gavison, "there is a very impressive record" of equal treatment for the Arab minority. But in reality, she adds, "any objective observer would admit that there is discrimination. Some of this discrimination is part of the system, such as the bestowing of

specific benefits only on those who serve in the army. Not all of the discrimination can be explained away as deriving from security considerations," she says.

Israel as a Jewish state. Here, Gavison says, the ever-increasing readiness to legitimize an exclusively Jewish-Orthodox interpretation "is a cause for great concern" and the situation is "constantly deteriorating." "Things which might have been imposed on the Arabs some years ago—such as the military government—have become unfeasible. On the other hand, once conceivable utterances on religious matters—such as Interior Minister Yitzhak Peretz saying that the Hachonim bus accident in which schoolchildren died was caused by the desecration of the Sabbath—are gaining acceptance at an alarming rate."

The association is now in the process of preparing a report on human rights in the West Bank. The continued occupation, says Gavison, "exact a very heavy toll" in terms of human rights. The association would like to help more administrative detainees and other West Bank people and institutions whose rights are being violated. But appeals to the West Bankers to fight in the courts have gone largely unanswered.

The association was established in 1972 and has 1,500 card-carrying members, although, Gavison adds, "we would like many more responsible people to join." Its 15-member executive board is made up mainly of lawyers and legal scholars, but Gavison says that the main emphasis is on education.

The association provides lecturers, teaching aids and suggestions for civil rights curricula to the army, the police and the school system.

It is quite a difficult task to teach children about the idea of universal fraternity," says Gavison. Two foundations recently established by the association will enjoy tax-exempt status and be devoted to expanding the association's educational efforts. (One of the foundations is named after Jerusalem judge Haman Shelah, who was murdered last year in Ras Burka.)

"We have serious problems," says Gavison, "not moral catastrophes."

Tonight in Jerusalem the association will bestow its annual Emil Grunzweig Memorial Human Rights Award on former attorney-general Yitzhak Zamir. Zamir, noted the awards committee, "adhered to the principle that safeguarding the rule of law was a precondition for safeguarding human rights."



Border Police yesterday morning compelled Arabs on their way to the village of Jebel Mukaber outside Jerusalem to get out of their bus and clear the road of rocks, which had been thrown earlier by youngsters from the village. The youths shattered windows of Jewish homes in nearby East Talpoot and blocked traffic with stone barricades. One of the women who got off the bus said she was unable to bend down. A Border Policeman replied, "If you can throw them, you can certainly pick them up and clear them away." It was obvious, however, that the Arab passengers on the bus had no way of knowing the identity of the stone-throwers. (Photo and text by Rahamim Israeli)

Idealist dentist's clinic provides Old City with middle ground

By GREER FAY CASHMAN

Two weeks ago, when hostile Jewish and Arab factions within the Moslem Quarter of the Old City of Jerusalem agreed to call a truce, the venue of their meeting was the dental clinic of Dr. Geula Serouya.

It was the only place in the area that was acceptable to both sides.

Since moving her practice a year ago from West to East Jerusalem, the Moroccan-born Serouya has become something of a legend.

Zvi Slepion of Israel Television, who interviewed her for tonight's *Between the Chairs* programme, says he was amazed to find a woman just over 30 aglow with the type of idealism that has become passé among her generation.

Raised as one of 13 children in a traditional Moroccan Jewish family, Serouya's idealistic streak came to the surface very early. As a child in North Africa, she developed toothache from which she received no real relief for four years. Eventually her mother took her to a neighbouring town where she was given extremely painful treatment. She decided then and there to become a dentist so that other youngsters would not suffer as she did.

Serouya came on aliyah in 1968 and was caught up in the euphoric aftermath of the Six Day War. Her pa-

rents and other members of her family followed soon after, settling in and around Jerusalem.

Ten years ago, when she graduated from the Hebrew University, she was already the mother of two infants with a third on the way. Today she has a fourth, aged three.

Working initially in downtown

The Jerusalem Municipality has begun repairing damage done to houses and shops in the Old City's Moslem Quarter during the attacks on property after the recent murder of yeshiva student Eliahu Amedi. The Treasury has allocated special funds for the project, which the municipality estimates will require NIS 150,000.

The decision to make the repairs arose from humanitarian motives and from the fear that anti-Israeli elements here and abroad might exploit the plight of the Arab families, it was reported yesterday.

Jerusalem, she dreamed of opening a clinic in the Old City to serve the Moslem and Christian sectors of the population as well as the Jews.

Serouya's heart was set on building on the ruins of the past. So she went looking in the Moslem Quarter, which she prefers to call the "old Jewish Quarter." There she found a

dilapidated building, and the challenge was irresistible.

For a year she was held back by the fierce opposition of her husband Levi, a physicist who was against the move because Arabs had been responsible for stabbing his mother to death in Morocco. Geula agreed to forfeit her plans to move house, but she insisted on going ahead with the clinic. Slowly her husband overcame his antagonism, especially when he saw some of the Arab neighbours pitching in to knock in a nail or plaster a wall.

The clinic serves everyone in need of a dentist, including the nearby yeshiva students who see nothing amiss in being treated by a woman. Serouya sees her work in the Old City as "a small contribution to coexistence."

She deliberately absented herself from the clinic on the day of the truce. The meeting, which had been arranged through the active involvement of the Jerusalem Municipality, very nearly backfired. Anxious to improve the city's tarnished image after the fatal stabbing of yeshiva student Eliahu Amedi and the violence it provoked, the municipality alerted local and foreign press to the talks. But neither of the parties was interested in media exposure, and the meeting was almost called off before it began.

Namir asks end to work permits for foreigners

By BERNARD JOSEPHS

Immediate action to stop a wave of foreign workers from flooding the labour market was demanded yesterday by Ora Namir (Alignment), the head of the Knesset's Labour and Social Affairs Committee.

Namir said that the latest Employment Service figures showed that as many as 8,000 workers, mainly from Portugal, are now employed in local factories and businesses, at a time when more than 18,000 Israelis are unemployed.

"We call on the Interior Ministry not to allow any more work permits for foreigners," she said.

Namir asserted that only 2,000 of the mainly unskilled overseas workers had permits. Another 2,000 were employed illegally and were known to the Labour Ministry; and an estimated 2,000-4,000 were "hidden" by industrialists.

She continued: "In the past two or three days we have received information that certain textile firms want 500 more employees from abroad. And recently we had cases in which the families of these people asked permission to come and live here with them. We are becoming like Germany with its Turkish workers."

The situation was threatening to undermine the position of Israeli workers, because firms employing foreigners do not have to pay social benefits such as national insurance and health fund fees, said Namir.

"The companies pay the firm that brings in the foreign workers around \$1,200 a month and the workers receive \$800 of this. Israeli workers sometimes get about half of that in salary but are more expensive to the employers, because of social benefits."

At risk, warned the MK, were rights and conditions that the Histadrut had struggled for years to win. Her committee insisted that all workers in Israeli industry should receive full rights. Employers should not be allowed to bring in workers from abroad at a time of unemployment, she said.

Last week Labour Minister Moshe Katsav instructed the Employment Service to try to reduce the number of positions offered to foreign workers and to fill job vacancies from the lists of the unemployed.

He stressed that until there was full employment he would not agree to an increase in the number of workers from abroad.

Halachic ruling: Common harlot may marry, nursing mother may not

By YA'ACOV FRIEDLER

HAIFA. — A young woman research scientist who had a child out of wedlock was enabled to marry her fiancé here recently only after her legal adviser found a way round a halachic ruling forbidding nursing mothers to marry.

On the advice of her rabbinical pleader, Avraham Golobenchik, she declared herself a "licentious woman," which in halachic terms means a "common harlot." In this category she was considered to be "in need of a husband to keep her straight." The rabbinical court then sanctioned her wedding.

The young woman had given birth to the child of an older married man, also a scientist. He admitted paternity, but she made no maintenance claim against him. When she decided to marry another man, she expected no difficulties, and reserved a hall for the wedding and sent out several hundred invitations.

At the rabbinical marriage registrar's she admitted having a son, then just under a year old. When asked the routine question whether she was nursing him, she innocently replied that she was, not knowing that this would land her in trouble.

The registrar refused to sanction the wedding on the basis of a halachic injunction against the marriage of nursing mothers.

She then applied to Golobenchik, who found the way out for her. The rabbinical court accepted the argument, of her need for a husband to keep her straight; and permitted the wedding, which took place as scheduled.

Haifa's Sephardi Chief Rabbi Eliahu Bakshi-Doron explained to *The Jerusalem Post* yesterday that the ban on the marriage of nursing mothers was "for the sake of the infant, who during this period needs the undivided attention of his mother." He was unlikely to get it if she married. The ban is valid for a period of 18 to 24 months, he said.

Rabbi Avraham She'ar-Yashuv Cohen, head of the three man bench that sanctioned the marriage, told *The Post* that the halachic term "prostitute" applies to a woman who has sexual relations with more than one man, but does not mean she is considered a professional prostitute. It was for the good of the child that halacha allowed the marriage of such a woman, during the nursing period, he explained, in order to put her relationship on a steady basis with a husband to look after her.

NRA aiding hundreds of poisoned birds in Hula

By ANDY COURT

The Nature Reserves Authority has organized an extensive rescue operation to aid hundreds of birds in the Hula Valley, which have been poisoned by a chemical used to kill field mice in Kibbutz Neot Mordechai's alfalfa fields.

NRA workers have injected more than 50 birds of prey with an antidote to the poison and are now waiting to see how they recover. Despite their efforts, however, at least 30 other birds, including kites, buzzards and eagles, have already died. An estimated 50 or more are believed to be dead but have not yet been found, said Eitan Gluzman, warden of the Hula Nature Reserve, 10 kilometres south of the poisoned field.

Gluzman said that hundreds of songbirds have been affected as well. The birds ate the mice and were thus poisoned.

It is illegal to spray the chemical in question on crops eaten by cows because it can poison their milk.

Farmers at Neot Mordechai, eight kms. south of Kiryat Shmona, began spraying their fields with the poison sometime late last week, and the Nature Reserves Authority discovered the situation on Sunday. Since then, rangers have been taking shifts day and night to scare animals away from the fields and have also been searching for dead or injured birds.

Half of Israeli women neglect their health

By LEA LEVAVI

TEL AVIV. — Every second woman in Israel neglects her health, according to a survey prepared for Na'amat, the Histadrut's women's organization. Women's health is the subject of Na'amat's annual Status of Women Month, which began yesterday.

The survey shows that 55 per cent do not have annual gynecological checkups, and 60 per cent do not have regular examinations for breast cancer, though most say they know such examinations are important. Eighty-six per cent have never had a Pap smear.

"Part of the problem is that some women deny anything can happen to them, and others are afraid of what the doctor may find if they go for an examination," Mashe Lubelsky, secretary-general of Na'amat, explained at a press conference here yesterday.

"But part of the blame also has to be placed at the door of our public health services, which don't always give priority to preventive medicine. There are no standing orders, for doctors to examine a patient's breasts even if she doesn't request such an examination, nor are there standard procedures for early detection of cancer or treatment of menopause."

Dr. Daniel Ayalon, chief of endocrinology at Ichilov Hospital and one of the doctors who advised Na'amat on its health campaign, said hormonal treatment at menopause could prevent osteoporosis (loss of calcium from the bones), and could solve some of the problems that lead to reduced sexual functioning.

Ayalon and other physicians have prepared a list of examinations women should undergo, and Na'amat is distributing the list on postcards.

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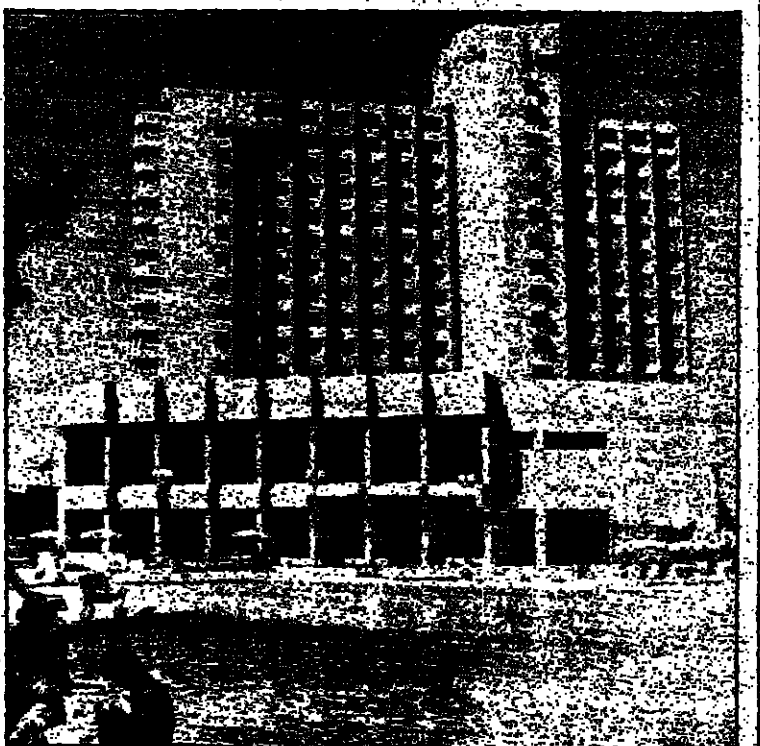
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THE MIDDLE EAST

RECENT UNREST in Iraq, Turkey and Iran has again drawn attention to the Kurdish issue. This latest demonstration of Kurdish national vigour is part of a struggle for national rights that has continued since before World War I. The longevity and intensity of the Kurdish campaign, its geopolitical implications for the Middle East, and the ideological and ethical issues it engenders raise questions of consequence for Israel.

In an age that has transformed the world into a global village, it is ironic that a nation of 14 to 18 million can be as little known as the Kurds. Descended from the Medes, the Kurds are an ancient part of the Middle East mosaic. Their language is Kurdish, a tongue closer to Persian than to Arabic but distinct from both. They have from time immemorial resided on a large stretch of mountainous terrain extending from eastern Anatolia in today's Turkey, eastward across the Mosul region of Iraq and into the Kurdistan and Azerbaijan provinces of Iran (they are not to be confused with the Azerbaijanis, a large Turkish minority residing in adjacent parts of Iran). Additionally, several hundreds of thousands of Kurds inhabit the Jazirah districts of northern Syria, and remnants of a Kurdish exile community also reside in Soviet Azerbaijan.

In addition to the Kurds there are, of course, other submerged Middle Eastern nationalities: Armenians, Azerbaijanis, Baluch, Berbers, Copts, Dhoofaris, Nubians, Somalis, African Sudanese, Turcomans and others. What makes the Kurds so noteworthy, though, is their level of national consciousness, internal organization, paramilitary prowess and dedication. While their contemporary overlords have attempted to conceal the Kurds' very existence, the vigour of the Kurdish national movement - on the battlefield and off - make them far from a marginal phenomenon in the region.

THE KURDS have been battling for national self-determination since the disintegration of the Ottoman Empire. Insofar as the Ottoman Turks were a Moslem elite, the Kurds, as a mainly Islamic people (including both Sunnis and Shi'ites, although there are Christians (Chaldeans) among them, as well) fared no better or worse under the Sublime Porte than other vanquished Moslems. But, with the dismantling of the Turkish Empire and its division into colonial possessions and states, the Kurds began to intensively prosecute demands for autonomy. The draconian measures adopted by Ataturk in the building of modern Turkey sparked off the first contemporary Kurdish rebellion. Under the feudal Ottomans, the Kurdish language and traditions were tolerated in rural areas. Ataturk, however, suppressed all minority ethnic identification and was intent on crushing the Kurds as a distinct community, as he had the Armenians.

The Kurds of Turkey today are officially nonexistent; there are only "Mountain Turks who have forgotten their mother tongue." Assertion of Kurdish identity in present-day Turkey is an offence punishable by



The Kurdish connection

Yosef Gottlieb

imprisonment. Despite a small though unextinguishable Kurdish underground, the Turks now have their boot firmly on the throat of their Kurdish minority. Underdevelopment is deep and endemic and human rights violations legion in Turkish Kurdistan today.

Beginning in the 1930s, the centre of Kurdish nationalism shifted eastward, to Iraq and Iran. In forming Iraq, the British fused the primarily Arab Baghdad province with the largely Kurdish Mosul and Persian Basra regions. This hodgepodge of a state immediately fell under extremist Arab domination, remaining so until today. The more than 20 coups d'etat that have taken place in that country have pitted one pan-Arab elite against another - with a Kurdish revolt often serving as the catalyst for the upheaval. Since the 1930s, the Kurds have posed the single most difficult encumbrance to the stability of Iraq's regimes. It is not just the political and military dimensions - the Kurds' refusal to submit to Arab domination - which so concern Baghdad. The petroleum reserves that constitute a cornerstone of the Iraqi economy lie beneath Mosul, Kirkuk and Sulaymaniyah, demographically Kurdish regions.

OIL, then, partially explains the frenzied, frequently genocidal wars that the Iraqi Arabs have launched against the Kurds. Baghdad, especially under the Ba'athists, did not spare napalm or defoliation, and committed many atrocities against civilians in its five wars against the Kurds. The fighting arm of the Kurdish national movement. While there have been cessations of hostilities and even treaties, the occasional rapprochements between Baghdad and the Kurds under its control have rarely lasted more than a few years at a time.

Iranian Kurds never fared well, not even during the Pahlavi administrations, and they have suffered miserably since launching an ill-fated rebellion in 1979. Still, the time-honoured Levantine dictate that the "enemy of my enemy is my friend" periodically prompted Teheran to exploit the Kurdish issue as a useful tool in its imbroglis with Baghdad. Such cynicism was in force during the mid-Seventies when the Iranians turned a blind eye toward the establishment by the Iraqi Kurds resistance of refugee camps, supply routes and guerrilla staging grounds in Iranian Kurdistan.

The passive assistance provided by the Iranians during the mid-Seventies paved the way to a near victory by the Iraqi Kurds over Baghdad. Attempts to subdue the Kurds became an especially bloody endeavour; the Kurds fought fiercely, often brilliantly and frequently tied up large numbers of Iraqi regulars and armaments - despite being severely outnumbered and poorly armed. After yet another perfidy by Baghdad in 1975, the Kurds launched an all-out campaign to win autonomy. Under the leadership of the legendary Kurdish leader Mullah Mustafa Barzani, the Kurds quite nearly brought the Iraqis to their knees at the culmination of a highly successful guerrilla war - only to have the Shah suddenly cut off all aid to them at the most critical moment. In the first two weeks of March 1975, as a result of a peace agreement signed between Teheran and Baghdad, impending victory was stolen from the Iraqi Kurds.

Concurrently, Israel's assistance to the Kurdish national liberation movement came to an abrupt close.

ISRAELI aid to the Barzani-led Kurdish resistance was always covert due to political realities confronting both parties. Nonetheless, the relationship between Israel and the Kurdish movement was important to both groups and continued for the better part of 10 years. Israeli experts worked in Iranian Kurdistan with the Iraqi Kurds at the height of the Ba'athist offensive against the Kurds. Some of what transpired at that time has been revealed elsewhere. Other elements remain classified, though it is known that Israeli expertise, supplies, and possibly military material were provided to the Iraqi Kurds.

Mullah Mustafa Barzani visited Israel at least once. He was touched by the reception he received from Iraqi Kurdish Jews who remained close to him even after resettling in Israel. Toward the end of his life, Barzani said that he felt like a Soviet Jew, a prisoner of forces that refused him his very identity. He died during one of the many exiles he suffered during his life, this time in Washington, four years after the signing of the Iraqi-Iranian concordat that had betrayed his people. Many of his supporters in his Washington years were Jews.

Jews, particularly Israelis and Kurds share a common experience: a history of dogged commitment to their heritage and communal identity, centuries of persecution and exile, and the unenviable position of trying to survive in a Middle East where radical elites have the upper hand. Aside from these more existential similarities, recent history has bound the Jews and Kurds together. There is the episode of Israeli assistance to the Kurdish national movement. There is also the little-known but highly relevant fact that Kurds assisted in the evacuation of imperilled Middle East-

ern Jews to Israel in recent decades. In addition to the fundamental justice of the Kurdish cause, the Kurdish dimension of the Middle East is of considerable strategic interest to Israel. The greatest threat to Israel currently comes from the northeast: from Syria, and to a lesser extent from Iraq and Iran as well. The underlying war between the latter two states notwithstanding, both the Iraqis and Iranians are devoted members of the Rejectionist Front. This is no coincidence: the Iraqi Ba'athists have always been among the most exclusivist of pan-Arabists, while the Iranian Islamic Revolution has demonstrated its antipathy to all non-Shi'ite, non-Persian elements in its society. Both regimes are totalitarian in their outlook and in their view of the Middle East; the exercise of self-determination by submerged nationalities - be they Jews, Kurds, or other minority groups - is anathema to them. The Syrians play a similar game, and Turkey, while touting modern democratic values has demonstrated a high and ruthless authoritarianism against its Armenian and Kurdish communities.

SIGNIFICANTLY, if one looks beneath the facade of "homogenous" Turkey, "unitary" Iran and "pan-Arab" Iraq and Syria, one is struck by how important a phenomenon Kurdish nationhood is as far as the Middle East is concerned. Millions of Kurds reside in and constitute a majority of that contiguous territory known throughout history as Kurdistan. When the short-lived Kurdish Peoples' Republic of Mehabad was established in 1946, justice was briefly done to this beleaguered people. Even after being robbed of that meagre and transitory remedy to their plight, Kurdish nationalism has not died. Its frequent if inconsistent manifestations - ambushes in eastern Anatolia, revolts led by Barzani's sons in Mosul, sharp battles between Kurdish irregulars and Khomeini's troops in the mountains of western Iran - continue to express the relentless devotion of this people to its communal identity.

Occasional guerrilla forays are not the only sign of Kurdish vibrancy. The Kurds are said to be masters of large swaths of Kurdistan; the Iraqi and Iranian militaries are unable to maintain control over much of the rural Kurdish hinterland. A network of Kurdish schools, hospitals and other civilian institutions have been rumoured to form veritable states within states in some parts of contemporary Kurdistan.

Against this backdrop, Israeli policy-makers should reconsider the Kurdish issue, especially in view of the current strategic characteristics of the Middle East. True, some elements of the Kurdish national movement have become hostile to Israel in the past decade. Still, there is a community of interest between the Kurds and Israel. Further, aside from the strategic matters there are questions of principle which make a compelling case for renewing contacts between Israel and the Kurds.

The writer is the author of *Self-Determination in the Middle East and works in the field of Third World development.*

Behind the arms deal

Fear that haunts

Nigel Hawkes/London



Ayatollah Khomeini

AMERICAN attempts to buy some friends in Iran, which fell apart so embarrassingly last month, are driven by a fear which also haunts other Western countries. They are terrified that Iran - or, less likely, Iraq - might actually win the six-year old Gulf War. And either prospect sends shivers up the spines of Western leaders.

They have long hoped that the war would drag on to a military stalemate in which neither side could claim victory, but in which both would sink back behind their lines and a messy armistice would be arranged. Western leaders are constantly calling for an end to the war, which has already cost around 1.2 million lives, but the last thing they want is for that end to be reached by the triumph of either side.

For the moment an Iranian victory seems more likely. Back in September, the analysts in the Pentagon had convinced themselves that Iran was poised for a massive push which might finally overrun the sophisticated Iraqi defences. The feeling that a moment of decision was close was heightened by Ayatollah Khomeini's declaration that this will be the "decisive year" for the war.

But the big push has not come. Most experts still feel that Iran has managed to achieve a degree of dominance in the war by its tactic of hurling thousands of young and barely-trained soldiers at the Iraqi lines. Iraq's early gains have now all been lost and it has been driven back into its own territory.

AN IRANIAN victory would rewrite the map of the Middle East, unleashing a tidal wave of Islamic fundamentalism which could prove too strong for the pro-Western regimes in the Gulf and in Saudi Arabia. Iraq itself would probably disintegrate into its constituent parts, with the majority Shi'ite Moslem population taking advantage of the arrival of its brothers from Teheran to establish an Islamic state.

That would leave the minority Sunnis and the rebellious Kurds out in the cold. After a long and bitter guerrilla war against Saddam Hussein, the Kurds have already established military control over much of their homeland, and it is clear that his ousting by the Iranians would be seen as the moment to establish their dream of an independent Kurdistan. This in turn might embolden Turkey, which has its own Kurdish minority.

In the Gulf and in Saudi Arabia, the ruling regimes would be terrified that rampant fundamentalism might prove catching. About a quarter of the population of Kuwait, and half that of Bahrain, are Shi'ites. Saudi Arabia has already shown signs of "tilting" towards Iran, making generous concessions to help Teheran at Opec meetings, though hith-

to it had supported its Arab brothers in Baghdad.

Whether a victorious Iran would refrain from the temptation to extend its influence around the Gulf is not clear. Any overt military moves against Kuwait or other Gulf states would risk embroiling outside powers, including Britain, which has undertaken to offer help in the face of military threat. Any serious instability in Saudi Arabia might force the United States to move, with the consequent danger of a superpower confrontation in the area.

BUT IF the prospect of an Iranian victory is unpalatable to the West, the prospect of its defeat is no more alluring. An Iran broken by military disaster would prove no more stable than Iraq, and might easily break up, providing an almost irresistible temptation to the Soviet Union.

Then the U.S. would be drawn in, ironically in order to preserve a nation whose government calls it "the Great Satan." Any Soviet moves into Iran would trigger long-held American fears that it was seeking to take over the country and gain access to warm water ports - and that would inevitably lead to confrontation.

As the military balance now stands, this is less likely than an Iranian victory. And, in spite of Khomeini, the likeliest outcome of all remains a messy draw in which neither side can claim outright victory. Since Iran has repeatedly said that it seeks the removal of Saddam Hussein as a minimum war aim, even a draw would not be without dangers.

Small wonder, therefore, that Western leaders shiver inwardly when they examine the prospects in the Gulf, and make bungled attempts to improve what looks like a very unattractive hand by currying favour with Iran. The best prospect seems to be that a military coup in Iraq might unseat Hussein and open the way to a peace settlement which would otherwise leave the status quo undisturbed. That is an outcome most in the West would secretly like to see, but have no means to bring about.

(London Observer Service)

A call for freedom

SYRIAN ACTOR-director Dourade al-Lahham, a long-time campaigner for Arab unity, says Arab countries lack freedom and should relax controls.

"Freedom in the Arab world is narrow, complete freedom is not found in a single Arab state," he told Reuters in an interview during the 10th Cairo International Film Festival.

"There are restrictions and limits on thinking and personal freedom ... we call for more (freedom)," he said.

Lahham, known for his political

Ashraf Fouad/Cairo

satires of Arab disputes and government red tape, insists he is not a politician and has no political affiliations: "I am an Arabist," he says. "For 20 years I have been standing on stage and screaming out what I believe ... if we cannot achieve it, maybe the next generation will."

The 52-year-old actor-director is in Cairo to attend the festival screening of his latest film with a political message, *The Report*, premiered recently in Damascus.

"Maybe *The Report* is not a new idea ... what I am trying to say has been said before, but the problems around us have not changed since I was a child," Lahham said.

The film calls on Third World countries, especially Arab states, to produce as much as they consume in order to control their own destinies.

Lahham, who has starred in 20 films and four plays, says the East-West conflict is "like a soccer game played on our lands. Our interests get buried under the feet of that conflict."

In *The Report*, he portrays the conflict in exactly that way - on a football field, the setting is not specified. "It could be any Third World

state," he said.

At the festival's opening ceremony last Monday, Lahham won a roar of applause despite political differences between Cairo and Damascus. Like most Arab countries, Syria broke off relations after Egypt's 1979 peace treaty with Israel.

He attributes the positive reception to popular backing for the ideas he supports in his films.

Lahham reported that a group of Arab artists met last month in Damascus in order to form the first Cairo-based Arab artists union.

"Regardless of existing sensitivities we chose Cairo because it is the centre of art in the Arab world," said Lahham. (Renter)

Computer equality

Helena Flusfeder

A NEW COMPUTER course for gifted Arab children from Galilee was recently launched at Haifa University's Jewish-Arab Centre.

In an attempt to de-mystify computers and close the educational gap between the Jewish and Arab sectors, 40 gifted Arab children were selected from some 1,200 6th graders from five communities in the north: Shfaram, Majd el-Kurum, Billin, Bnei Naftali and Deir el-Asad to learn the basic computer language, Logo.

"If the problem of Arabs in the 50s and 60s was illiteracy, the problem now in the 80s is illiteracy in computers," says Majd al-Haj, a sociology lecturer at Haifa University, and director of the project.

With academic supervision coming from the university's School of Education, and funds from the U.S.-based Jaffee Foundation, funnelled through the New Israel Fund, the course is "an attempt to take one step which will have an effect on the whole society," al-Haj explained before the recent opening ceremony of the course.

It was also an attempt to promote Jewish-Arab relations in Israel, he said. "Education is most important in this connection, for the mobility of Arabs and their integration into Israeli society," he added.

Over the last three years, several secondary schools in the Arab sector have started to introduce computers, though, no elementary schools are using them yet.

The first year of the programme, the pupils will take computer courses at the university and will return to their communities the following year as "agents of change." In this way,

computers can be introduced gradually into Arab schools.

Al-Haj noted that the process of selection for the course, had also led to the creation of a new IQ-testing system for school-children in the Arab sector.

ACCORDING to the Arab education specialist, who is also researching unemployment among Arab academics at the university's Jewish-Arab Centre, the main problem is inequality between the two sectors. He said: "If there is no equality, none of the discussions on democracy will help. I think we have to push towards equality in education, local government and in the absorption of academics."

Meanwhile, local mayors and school principals have been involved in the long-term aims of the course. Mohammed Maman, mayor of Majd el-Kurum, present at the opening ceremony agreed with the modernizing trend. Assadey A.H. general inspector of elementary and comprehensive high schools in the Acre area, also stressed the benefits computers will bring to education in the Arab sector.

Al-Haj hoped parents would be motivated to buy computers for their children, although local schools are not yet equipped with them.

Still, with the majority of Arabs working in blue-collar jobs and filling only 5.6% of the country's scientific, academic and professional jobs, and with the current lack of knowledge about computers in the Arab sector, it may take time to create the conditions which will in turn effect change.

However, it is a beginning and a step towards reducing the disparity between the Arab and Jewish sectors. "If you want to build a bridge, you have to equalize the two banks," Al-Haj said.

MIDDLE EAST BRIEFS

Ya'acov Lamdan

MOROCCO'S Royal Army soccer club recently won this year's National Cup championship, scoring a 3-0 victory over the contending Al-Husseini group. Among the tens of thousands of spectators who turned out for the match at Rabat's soccer stadium was King Hassan II, a committed soccer enthusiast.

The United Arab Emirates President Sheikh Zaid bin Sultan appeared as Hassan's guest, along with other Moroccan notables. Morocco is considered one of the African continent's big soccer powers, and reached an advanced stage in the World Cup matches in Mexico City.

TOURISTS going to Cairo will pay about 10 per cent more for hotel rooms following a price increase ordered by the Ministry of Tourism last week. The increase, geared to compensate for inflation and a decline in the value of local currency, will raise the price of bed and breakfast in a five-star hotel from 80 to 115 Egyptian lira per day. A room in a four-star hotel will go up from 55 to 80 Egyptian lira; in a three-star hotel it will increase from 40 to 52 lira; in a two-star hotel, from 22 to 31 lira; and in a one-star hotel from 10 to 17 lira.

The U.S. dollar fetches about 1.90 lira on the black market, as against about 1.35 lira from hotel money-changers.

THE PRICE of drinking water in Beirut broke a new record last week with a bottle selling for about 10 Lebanese lira. A 20-litre jerrycan sold for about 133 lira - making

water more expensive than petrol, which costs about 125 lira for a 20-litre jerrycan. The trade in water resulted, ironically, from the recent heavy rains, which swept away the channels bringing water to the Lebanese capital.

The soaring price of water only added to the problems of Lebanese residents, already suffering from a long list of other economic woes brought on by the 11-year civil war and the declining value of the lira. The current rate is about 65 lira to the U.S. dollar.

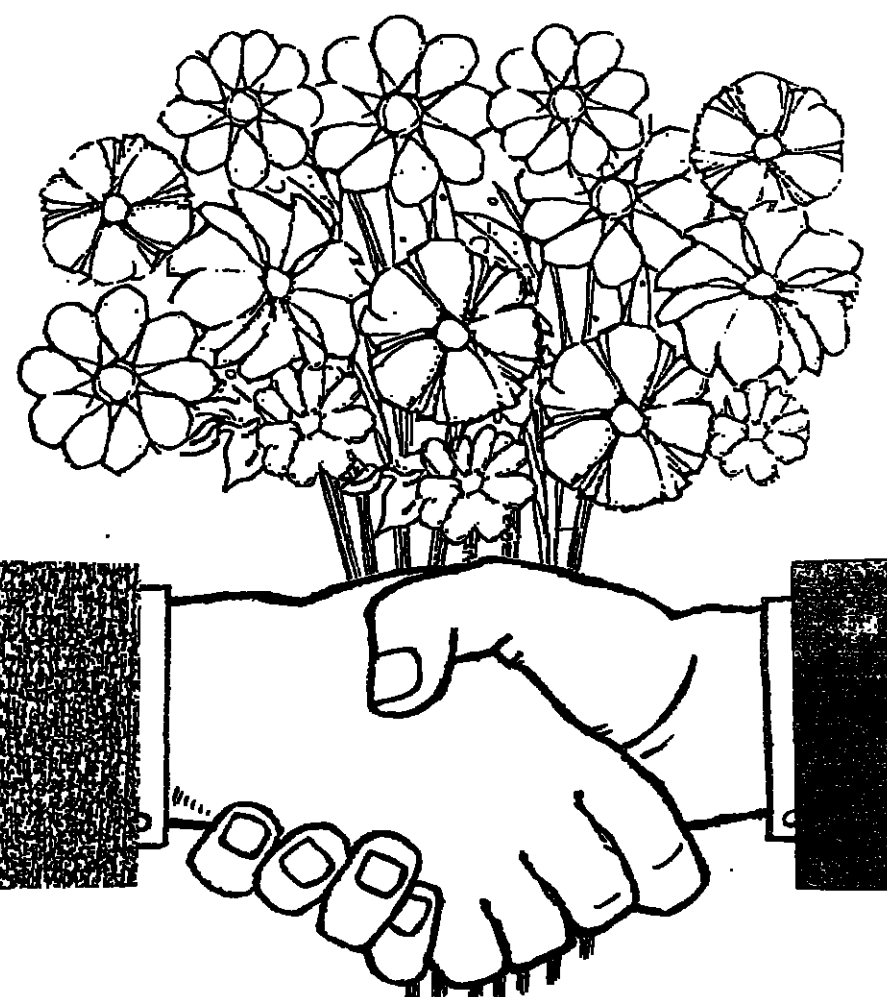
NUR SHARIF, the Egyptian movie star who has played in dozens of box-office hits, was recently designated the Arab world's most popular actor in a contest organized by the European radio station, Radio Monte Carlo, which broadcasts in Arabic.

Sharif is also prominent in Egypt for his political opinions. In contrast with many other Egyptian movie stars, he has never indulged in anti-Israeli rhetoric, even after the peace treaty was signed. He also remains an admirer of the late Gamal Abdel Nasser, and he recently declared that he was planning to play the role of Nasser in a major movie on the former president.

At a press conference, the 40-year-old Sharif explained that he belongs to the generation that grew up "on the knees" of Nasserism, and he regards Nasser as his spiritual father.

The Middle East page is edited by Yehuda Lironi

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Marketplace fisticuffs

Doron Pely

WITH ONLY about 80-100 places in Israel able to buy and use large mainframe computers and their adjoining equipment, the competition between vendors is fierce. But when it comes to the race for clients between the giant IBM and National Advanced Systems (NAS), punches are traded with no holds barred.

To exist in a market that is almost 80 per cent IBM dominated is not easy. Smaller companies have to squeeze themselves into the cracks between IBM's product lines, where they find fertile ground for competition with specialized products, lower prices and trimmer profit margins.

A subsidiary of National Semi Conductor, NAS markets large Japanese-made computer systems and data storage "drums." NAS claims its computers to be better and faster than IBM's, but IBM still reigns and its hold on the market doesn't seem to weaken.

"IBM is trying to rail-road NAS off the map," says Abraham Chason, general manager of NAS Israel. Chason says he has an intimate knowledge of IBM's marketing techniques as he worked at IBM for eight years before moving over to the competition.

NAS may seem initially a dwarf compared to IBM. With revenues of \$700 million in 1985, it barely shows

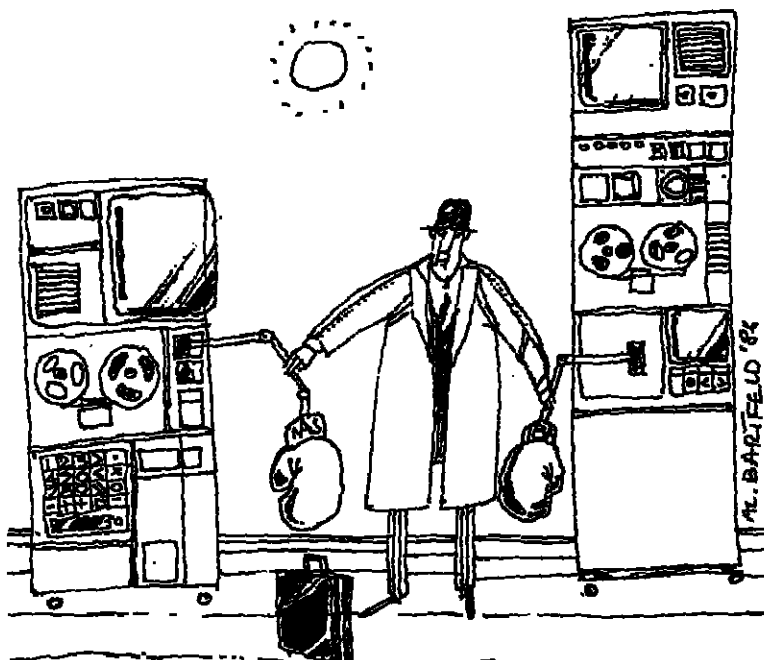
on the charts beside IBM's \$55 billion. But when the market is tight and competition for each and every customer heats up, even a dwarf can become a painful thorn, and according to Chason, IBM has pulled all the stops in its attempts to do away with competition from his company.

IBM dismisses Chason as a complainer who is unable to stand up and compete in the marketplace.

Situated at Asia House, NAS's offices are located literally in the shadow of IBM's tower. The view from Chason's office consists of uninterrupted brown-and-window IBM. Chason shrugs at the towering shadow "We were here first," he says.

"In one instance, when NAS's price for storage drums was \$200,000 cheaper than IBM's," says Chason, "our opponents told the customer that if he will buy IBM, he will get a \$300,000 overall discount on another project. What IBM held back from the client was the fact that he was eligible for the discount anyway under a price slashing programme that was announced only a short while later."

In another instance, according to Chason, IBM gave Bank Hapoalim a discount of \$80,000 in programme licensing fees to win a half million dollar project. "IBM gives up huge



sums of money and 'bundles' deals in order to win projects," he says with a weary smile. "And we have computers that are twice as powerful as IBM's most powerful machine."

IBM's official reaction to Chason's accusations of unfair competition is one of cold disdain. "Anybody checking his allegations will find them ridiculous," says IBM spokesman Zvi Yanai. "We have no interest in a public brawl with him."

Unofficially, sources at IBM are much less diplomatic. "It's time Chason started behaving like a grown-up and stop crying in the face of the competition," said one official. "His charges are all trumped up."

Chason claims that there's a myth in the marketplace that if you buy NAS, IBM will "punish" you.

Chason cuts a strange figure in the crowd of polished high-tech bosses. The son of a large immigrant family from Libya, he was selected to become one of "Ben-Gurion kids" - a 1960s project aimed at raising a generation of education leaders, hand-picked for scholastic excellence from among the country's eastern immigrants. He went to a special boarding school in Jerusalem, and was later selected to do his military service in an army computer unit.

From the way he walks about his company's clashes with IBM and his life's philosophy, it appears as if he's almost enjoying the excitement and the challenge of locking horns with a giant. "I like changes," he says. "Changes are a form of friction caused by nature, and there's a lot that's positive and educational in that."

NICHOLAS Stephens was only 18 months old when he became paralyzed overnight, victim of a bacterial infection. Five years later, a computer that he can talk to gives him a chance of a normal life in the family home in the southern English seaside town of Portsmouth.

Nicholas's paralysis is so severe that a mechanical ventilator has to do his breathing for him. This means he has to talk through a tube in his throat and his talking speed is determined by the rate at which the machine delivers and expels air from his lungs.

Nevertheless, Nicholas has succeeded in learning to talk clearly and almost normally. He can say up to six words in one breath, depending on the length of the words, and he is given 15 artificial breaths a minute.

Nicholas's one piece of good fortune is to have a father with the foresight to develop a computer that could understand simple, spoken commands. Through this computer, Nicholas is now able to expand his knowledge of the world, play games, switch electrical appliances on and off and even turn pages of a book. It has become an electronic extension of himself.

AS COMPLEX as present-day computers are, they come nowhere near to matching the intricacies of the human brain. Nicholas may have mechanical difficulties in talking, but there is nothing wrong with his equipment for understanding the words and sentences he hears.

Getting computers to talk - speech output - is easier than getting them to understand what is being said - speech input. Computers are

Steve Connor/London

dumb contraptions. They may be able to imitate sounds, but they find it incredibly difficult to understand what they mean.

Take an example of two quite different sentences that sound similar: "It is a grey day" and "It is a grade A." The human brain, as far as we know, not only matches words with a library of sounds in the memory, but also takes into account a range of other important features, such as the context in which the sounds are made, the inflection the speaker puts on them and so on.

Present research into voice processing has concentrated on matching the pattern of a sound with patterns held in a memory. This means that the computer must be trained to recognize a word against a "template" that has already been fed into its memory.

Nicholas's computer, a standard home micro, has such a device, a word-recognition unit made in the United States, which can store the templates of about 200 words. It is not able to identify accurately the words spoken by more than one person because of the differences between people's speech.

Nicholas's father, Ronald, a researcher at Portsmouth Polytechnic's School of Biological Sciences, says: "The recognition accuracy is highest if spoken words are stored in well-defined groups known as nodes, and each node should not contain more than 50 templates representing 50 spoken words."

When these conditions are met, he says, the device is able to detect accurately 99 of every 100 words. The machine cannot, of course, identify words that are not in its dictionary.

The device connected to Nicholas's computer is relatively unsophisticated. It has a limited dictionary, it can only deal with words one at a time, not continuous phrases or sentences, and there is still the problem of understanding sounds that are similar but which mean totally different things, like "grey day" and "grade A."

EXPERTS in voice processing are now experimenting with speech input and output in far more complicated situations. Their aim is to try to refine speech processing so that it can be used in situations where the operators of a computer would find it easier to tell a computer what to do by speaking to it, rather than feeding in commands from a keyboard.

Under the present system of template matching, it is difficult to build voice-recognition devices that can identify more than a couple of hundred words. But researchers in the field of voice processing are now searching for a fundamentally different approach.

Given the problems, the day when we will be able to hold a conversation with a computer is a long way off. For the moment, we will have to be content with simple verbal instructions, such as telling a computer to dial a particular telephone number.

But for children like Nicholas this represents a quantum leap in the quality of life. (London Observer Service)

Chinese characters

Computer Briefs
Doron Pely

UNISYS CORPORATION will start production of micro computers for the Chinese market in 1987. A complete assembly line is now in the final stages of construction in the Hunan province, south of Peking, according to Michael Tate, Unisys's president of East Asia operations.

The Chinese-made B2X micro computers will be equipped with special Chinese-language programmes for word-processing, office and engineering tasks in industrial and academic facilities in China.

Air Force P.R.

THE American air force decided to construct what it calls "The world's biggest computerized public relations system."

The CCI-made system will cost \$4.4 million, and when completed it will consist of a world-wide communication link between U.S. air force bases. Tons of paper-based publications, information sheets and other internal and external printed matter will be transmitted from computer to computer and reproduced on site.

Madonna lights up

A CAD (computer aided design) programme was enlisted to help stage-lighting engineers Jim Chapman and Robert Roth plan the lighting sequences in Madonna's latest show.

More than 2,600 light bulbs "participated" in the rock star's performance. The problem was that they had to "play" in coordination with the songs, play backs and other stage gimmicks such as smoke and fireworks.

Stage lighting arrangements were simulated and tested with a modified Autocad programme, and the design-



ners were able to study the effect of every lighting arrangement without actually hooking up the lights.

Multi-lingual wordprocessor

A multi-lingual word processing computer, capable of generating letters in 22 languages, has been developed in England.

The system, known as "Tik Tak" is aimed at business persons who handle multi-lingual correspondence. It contains dictionaries for 12 European languages, and has been equipped with a Chinese dictionary. The system is built around 500 key words, common to business correspondence, and each sentence in the language of origin has code that enables the writer to produce the same sentence in every other language contained in the computer.

Larger memory

Data-storing crystals: If crystals could be used instead of ordinary disks or magnetic tape to store computerized data, memory capability would be expanded tremendously, and large quantities of information could be written and read simultaneously with one flash of a laser beam.

The process has not yet been developed, but Hebrew University scientists believe that they have taken one giant step toward that goal. They have discovered a new kind of photorefractive effect that could lead to the development of holographic-type memories and other optical computing devices.

The discovery was made recently by Prof. Yitzhak Yaacoby and Aaron Agranat of the university's Racah Institute of Physics. The photorefractive effect allows a hologram - a two- or three-dimensional image representation of an object - to be written into a crystal. A hologram enables a complete reproduction of the form of the original object, using lasers.

Storing data using holograms would enable the direct storage of both numbers and pictures in the memory, without the need to translate the pictures into numbers first, as is done in a standard computer. The information is stored in such a way that defects in the crystal and small scratches do not spoil any part. They just increase the intensity of the light needed in order to write in the information.

The HU scientists believe that the most promising way to write information into crystals is to use the photorefractive effect. This is simply the change in the refractive index of the crystal caused by the absorption of light into it. Experimental holographic memories have in the past been built, but each time, the information stored in the memory was

erased when the memory was read back.

In the new HU discovery, the holograms written into the crystal are not erased when the data is read. Much further research is needed until the discovery can be applied, but the technique is already viewed as very promising. Research is being financed by the U.S. - Israel Binational Science Foundation.

Recognizing objects: Holograms are being used abroad for optical computer recognition of objects, be they enemy missiles, machine parts on an assembly line or cancerous cells under a microscope. But a major problem has been that the image must be viewed from the exact same angle in order to be recognized later by the computer.

According to the December issue of *Popular Science*, this handicap has been overcome. Scientists at Sandia National Laboratories in New Mexico have developed an experimental holographic technique that allows the detection and identification of target objects regardless of the angle of view, rotation, brightness, or scale of the image. It works even when the target is partially hidden by other objects.

A special filter called a "spinning optical correlation filter" is used to dissect the target image into a number of fundamental components using a standard mathematical technique. This information is stored in a computer, and then the components are rearranged, in a unique way to form a hologram. Although the system is being developed mainly for military-target recognition, it could have many civilian applications as well.

Made in Ra'anana: An Israeli robot, made in Ra'anana, is now making contact lenses. The unusual invention, displayed at the robotics exhibition in Tel Aviv this month, was developed and produced by Shafrir Engineering of Ra'anana at a cost of hundreds of thousands of dollars. The Ra'anana company believes the robot is unique and will soon begin marketing it abroad.

The robot replaces a number of human workers on the production line, and works round the clock,

without tiring. Shafrir claims that the optical quality of the lenses is better when produced robotically, than when produced manually.

Computer - "therapist": Computers are being used abroad - and now in Israel - to help diagnose and rehabilitate stroke victims. Because the computer has endless "patience," patients who have had part of their brain damaged by a blood clot can re-learn tasks and thought processes learned long ago with the

help of a computer.

"Therapist": The Control Data company developed a special programme used in rehabilitation centres for stroke victims. Called "Plato," the programme allows a dialogue between the patient and the computer, which can test the stroke victim's mental progress and help him practise exercises he must learn. The Israeli Defence Forces, which exhibited the computer system recently, may use it for the slow teaching of difficult subjects, and the review of subjects learned before, at a speed suited to the student.

Data bank info leads to cash: A resident of Kiryat Haim who was injured a few years ago in a traffic accident recently won a compensation suit totalling hundreds of thousands of dollars - thanks to

information he obtained from an international data bank.

Soon after the accident, the man began to suffer from severe back problems, followed by the discovery of cancerous growths. In a court case he filed against the insurance company involved, he failed to prove the connection between the accident and the cancer.

Then, at a lawyer's advice, he turned to the Israel Centre for Computer Information and was led to the case of a 72-year-old woman in Cleveland, Ohio who was injured in a car accident and who later suffered from the same type of cancer. On the basis of this information, he asked that the case be reopened, and he finally won. The centre, run under the auspices of the Ministry of Energy and Infrastructure, stores some 100,000 documents and other listings on medical matters.

Tires roll out of kibbutz: Giant tractor tires are being designed at Kibbutz Ayalot Hashahar using computerized techniques of IBM. In the past, the tire designs, especially the form of the treads, was a tiresome and painstaking process requiring plaster of Paris moulds. A more exact mould is being made, however, with IBM's Cam program, and hands are no longer dirtied by plaster.

The kibbutz says that it has drastically shortened the time needed to produce the new tires, and is now turning out a better product.

GM's free-floating hologram: Meanwhile, General Motors is designing whole cars, and not only the tires, with holograms and computers, instead of the traditional clay model. *Newsweek* reported recently that car models are being designed from nothing but light. Computer drawings are transformed into large, free-standing holograms. A person can walk past the projected likeness and see the object from different angles, almost as if it were a solid substance. To assemble the free-standing hologram, a team converts digitized data into 960 different views of the car. The pictures are transferred to 35-mm film. Each image is then projected by lasers onto a strip of holographic film, and compiled into a large composite mounted on a curved sheet of glass or plastic. When the hologram is backlit by laser, the ghostly image of a car appears.

All the bugs haven't been worked out yet. The car appears in a greenish light and not in full colour. The field of view is restricted to about 180 degrees; one can't walk right around the 3-D hologram. Nor can the car be looked at from underneath. Clay models to be tested in wind tunnels may always be needed for the complete designing of new car models, but the hologram approach will be an important part of the intermediate design stage, says GM. Similar free-floating images could help architects plan new buildings or enable doctors to study lifelike models of human organs.

Judy Siegel-Itzkovich

NEW WORLDS

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Cost-cutting crusade

Japan's car makers battle rising yen

TOYOTA CITY, Japan (AP). — Heeding warnings of possible corporate disaster, Japan's giant auto makers are seeking ways to counter the backlash of the strong yen.

The auto makers, who account for nearly 20 per cent of Japan's total exports, have been dealt a hard blow by the yen's strength, which cuts profits from products sold abroad. If the yen remains strong or strengthens in the next three to five years, "many Japanese car makers could go out of business," predicts Masami Iwasaki, executive vice president of Toyota Motor Co., the largest auto producer.

"One year after the yen strengthened and three months since it broke the 150-yen level [against the dollar], a high-yen countermeasures race has begun among companies with their survival at stake," the October issue of the company's weekly newspaper for employees writes. "Our ranking and superiority will be destroyed at once if we fall behind other companies."

The yen has risen from 242 to 162 to the dollar since September 1985, when economic ministers of five industrialized nations, in a move to

pare the United States' trade deficit, agreed to reduce the U.S. currency's value.

Toyota and Nissan Motor Co., the second largest, estimate that a one-yen increase in the exchange rate means a loss of about \$36.8 million a year for each company. The figure is roughly the price of 5,000 of Nissan's Sentra subcompacts.

Toyota, Nissan, Mazda Motor Corp. and Honda Motor Corp. have raised prices in by roughly 10 per cent in some export markets, but the increase still is far less than the amount the dollar has declined.

Nissan recently reported its first business loss of the postwar era, blaming it partly on the yen. The yen value of Nissan sales between April and September, the first half of Japan's fiscal year, fell 9.9 per cent from the previous year. Nissan depends on exports for about 60 per cent of its sales.

Yutaka Suzuki, manager of the firm's international public relations division, said the company was trying to increase efficiency.

In April, Nissan launched what it called a "stingy operations" cam-

paign to reduce costs. It began with 10 per cent salary cuts for each of its 49 directors. Suzuki would not disclose the monetary value of the cuts, but he said increased efficiency as a whole in the first half of the fiscal year saved some \$490m. for Nissan.

Last August, Nissan experimentally operated seven main plants on weekends, when electricity is cheaper, and closed them on two weekdays, saving \$1.84m. Factory managers came in on weekends to paint the floors, saving the cost of paying professional painters. Successful negotiations for better prices from subcontractors and imported parts saved another \$245m. To conserve some \$122m., employees were reminded to turn off lights and discouraged from working overtime. Used paper — about five tons a month — is being recycled into toilet paper.

Toyota last spring launched a campaign entitled "challenge 50," aimed at cutting in half items ranging from paper consumption to time spent in meetings. Toyota has also established a "high yen emergency measures committee," composed of all of its board members, Iwasaki said.

In one move, the company cut plant and equipment investment by 8 per cent for 1986, according to a Toyota official, who requested anonymity. He said the company also plans to decrease the number of college graduates hired next year about 35 per cent.

The high yen is also driving Japan's auto makers to increased competition in the domestic market.

"Since the 1960s, we have grown more and more export-oriented. But we must strengthen our domestic share," said Suzuki. "The domestic market is more stable. Overseas we have to consider trade friction... and about 70 per cent of our exports come under some kind of restraints."

The strong yen is also likely to have Japanese auto makers buy more foreign-made parts, something long demanded by Japan's trading partners including Israel. Both Toyota and Nissan are considering increasing the local content of vehicles produced overseas, their spokesmen said.

"The strong yen may do what years of negotiations couldn't do," said another Toyota official.

Cannon seeks help at the box office

Ex-Israelis Menahem Golan and Yoram Globus have found the audiences are not too happy with their films and the SEC with their books

By ROBIN GREGG
NEW YORK. — Cash-flow problems for the Los Angeles-based Cannon Group, culminating in the \$14.5 million loss for the third quarter announced last month, has caused the company to do some serious thinking about its plans for the immediate future.

Cannon has disclosed that it has hired new outside accountants and ordered a special audit for the nine-month period. The loss, which left the entertainment company founded by ex-Israelis Menahem Golan and Yoram Globus with a \$5.5m. net loss for the nine months ended September 30, has been blamed on disappointing U.S. box office results, along with large increases in administrative and interest expenses.

After release of the news, the company's share price fell by \$3.375 on the New York Stock Exchange to a

52-week low of \$17.75. The price has fallen about \$10 a share since Cannon disclosed nearly two months ago that the Securities and Exchange Commission (SEC) is investigating the company's finances and accounting practices.

Cannon, in a statement last month, said it had concluded that after an intensive three-month review of its asset-base, it should sell its recently acquired Commonwealth theatre chain because of "the recent dramatic escalation of prices for cinemas in the United States" and sell "selected, overlapping" theatres in Britain.

Cannon also said it believed that its extensive film libraries acquired from Screen Entertainment Ltd. have substantial unused rights and that it intended to use them for "asset-based borrowing to supplement existing bank lines." The company disclosed that its U.S. bank borrowings have risen to \$54.9m. as of September 30, from \$27.2m. reported at the close of the second quarter.

Cannon's U.S. banks are the First National Bank of Boston, Bank of America, Chemical Bank and Wells Fargo. The company also borrowed \$25.6m. in the third quarter from its foreign banks, Credit Lyonnais and Bank Nederland N.V., under a \$35m. revolving-credit agreement.

The SEC is unhappy about the



Yo-ho-ho, but where's the dough? Director Roman Polanski (left) and star Walter Matthau on the set of the box-office bomb "Pirates."

company's policy of amortizing film costs (a technical maneuver whereby profits for one venture are placed at the disposal of other ventures which are less successful) and this procedure is currently under review by the new auditors.

In layman's terms, what Cannon desperately needs is a massive hit at the box office, something it has failed to produce for a long time — in fact not since the first of the *Death Wish*

series starring Charles Bronson and directed by Michael Winner.

This year's major effort, Roman Polanski's *Pirates* has proved to be an expensive failure in the U.S., and the company is now looking for relief in the shape of Sylvester Stallone whose film on arm-wrestling, *Over the Top*, is being produced by the company and is due for release next year. The company is optimistic about its prospects. (London Observer Service)

BANKING ON IT/Pinhas Landau

In for the long haul

The commercial banks have been so caught up in developing their consumer lending programmes that they seemed to have forgotten their old faithfuls — the multi-year savings schemes. But not for long. This month sees saving return as the in thing for the banks to push, although it's mostly a case of new bottles with old — if still tasty — contents.

Savings rates in the economy are falling for the second year in a row (last year saw the rate decline to about 22 per cent — abnormally low by Israeli standards). There have been large net withdrawals from medium- and long-term savings, especially dollar-linked schemes. Therefore, the banks' emphasis in their current campaign has been on Saye (save as you earn), or regular monthly savings programmes.

Hapoalim has managed to come up with a rather more original scheme than the very humdrum bonus-or-higher-interest gimmicks trundled out by its rivals.

Hapoalim has long had a dominant market share in this niche, built up as an adjunct to its pursuit of wage-earners accounts. It has been quietly pushing monthly savings all year, and professes to be satisfied with the results — no figures, needless to say, just the "take our word for it" approach. However, it will admit that its campaign last September resulted in "many tens of thousands" of new savers opening monthly deposit accounts.

They must have done something right, because Bank Discount and Bank Leumi have since joined the fray, with Discount's December campaign aimed directly at regular monthly savers. New accounts in the Lamatmid and Tsumud Dollar programmes will be given a one-off bonus of an extra monthly deposit, paid for by the bank, and this will accrue linkage and interest for the duration of the scheme. However, only those who make regular deposits for 48 months will be given this retroactive bonus. Its effect will be to raise the yield per annum from 3 to 4.1 per cent for a four-year programme in Lamatmid, which is index-linked, and from 5 to 6.13 per cent in the Tsumud Dollar scheme.

Leumi achieved the same effect in its Lamatmid programme by raising the interest rate directly from 3 to 4 per cent per annum — even for those who only save for two years. The bonus gambit, however, is a tried and trusted weapon in drawing customer interest, apparently because it sounds more impressive than simply raising the interest, although the mathematical result is the same.

Leumi is also giving higher interest rates for one-time savers in its Tsumud programme, which runs for between 2½ and five years. At this stage, Leumi is saying that those joining before December 14 will get a choice between higher interest, of 5.75 per cent per annum, and

linkage to the October, instead of the November consumer price index as their base, or 5.5 per cent plus an up-front bonus of 2.5 per cent of the amount saved. The up-front bonus of 2.5 per cent to 5.9 per cent a year for five years. Those joining after December 15 will not have the option of being linked to the October index, but will still get the 5.9 per cent yield available under the other alternative.

Within days, of course, Discount had upped the ante by offering 6 per cent yields to one-time savers, and further moves may confidently be expected as the savings war heats up.

Meanwhile, Hapoalim has managed to come up with a rather more original scheme than the very humdrum bonus-or-higher-interest gimmicks trundled out by its rivals. It is offering a regular savings scheme with a loan built on at the end, and with various other fills, aiming at that potential and actual car buyers, and proclaiming the resultant hybrid as a novelty in the Israeli savings market.

And so it is, to a large extent, and the more welcome as a result. For those joining in December, the following terms are being offered:

ROUTE A is for regular monthly savings for two years or more. The saver joins an index-linked programme (Lamatmid) or a dollar-linked one (Tsumud Dollar), as he prefers, and receives 3.5-5 per cent index-linked interest or 5.5 per cent dollar-linked interest accordingly. These rates are higher than those paid normally.

ROUTE B is for occasional one-time deposits spread over at least 27 months. Again index-linked fans can pick Tsumud and dollar-lovers can go to Tsumud Dollar or Dollar/Medved, where they will receive 5-6 per cent interest, depending on the scheme and the period of saving.

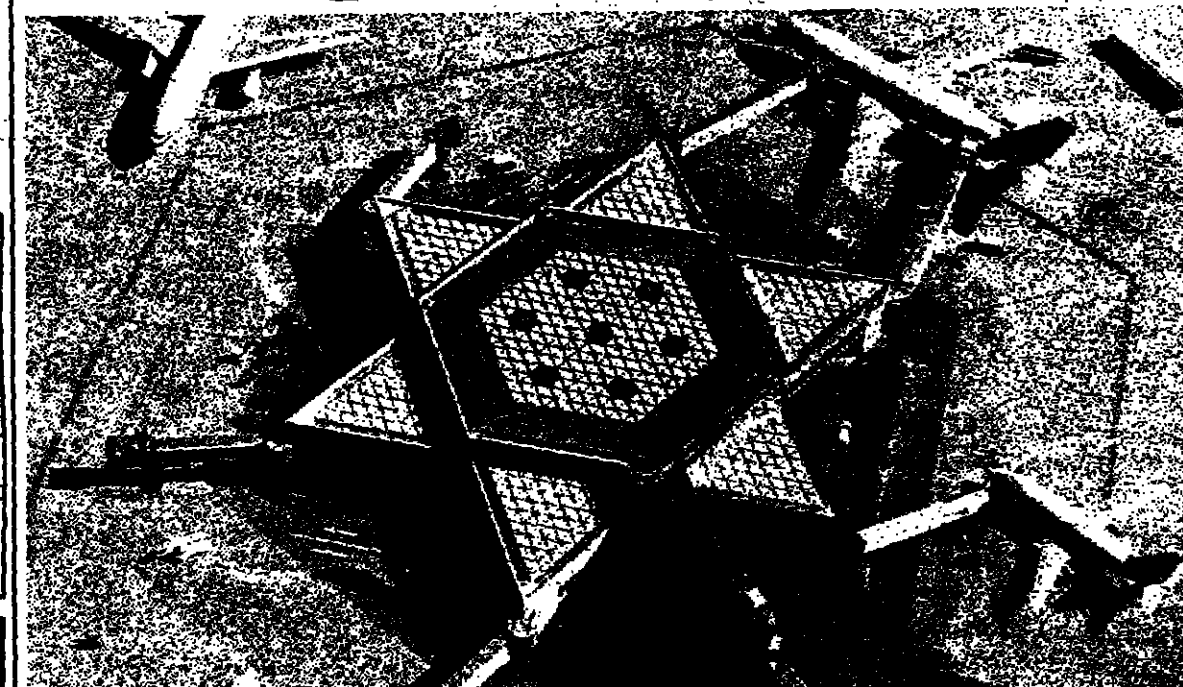
ROUTE C is for those about to buy a car and wanting to join the savings scheme. They can receive a standing loan for the amount of the special deposit that they must make on the new car, and repay it when the deposit is returned. The interest on the loan, at prime plus 1.5 per cent per month can be repaid either in one sum, with the capital, or in 12 monthly instalments.

All three routes meet up at the end of the savings period, when they become eligible for a loan equal to the amount saved, including the linkage and interest that has accrued on the deposits. The conditions of the loan are that the savings period must have been at least 36 months, the loan itself is for 36 months and at "preferential" interest rates — relative, that is, to what the market demands at that time — and suitable collateral must be provided. The loan is designed to serve as an additional source of capital for people intending to buy, or replace, a car in a few years time.

Hapoalim's figures show that a person saving NIS 100 per month for three years will have over NIS 7,500 of savings plus loan at the end of the period (in today's money, of course), while after five years the sum will exceed NIS 13,000. NIS 180 per month will produce NIS 13,600 after three years and almost NIS 24,000 after five — but don't forget that the loan will have to be paid off over the three succeeding years.

Stars and gripes

Saudis spurn Cologne airport



By ANDY COURT

For The Jerusalem Post

When Saudi airline officials were searching earlier this year for a base for their European cargo operations, the airport at Cologne, West Germany, seemed like an excellent location. Indeed, the airline was prepared to move in, except for two huge eyesores that would have spoiled the view of Saudi pilots as they prepared to land.

The object of Saudi concern were two large passenger terminals shaped from the air like the Star of David.

"The Saudis told them [the airport authorities], 'Take down these things, and there will be something to talk about,'" said Gilon Zohar.

deputy general manager of CAL, the Israeli air cargo company that also bases its operations in Cologne, although not in either of the two terminals that drew the Saudis' wrath.

"The Libyans and the Syrians come to Cologne, and the Star of David doesn't bother them."

It may never have even caught their attention. The Saudis had stars in their eyes when they first saw Cologne airport from above, but CAL's general manager, Sufri Neikun, said he had never noticed in the dozens of trips he has made to the airport.

The two terminals are shaped like a Star of David purely by accident, Zohar said, and were there long before CAL came to the Cologne airport.

Cologne airport officials immediately rejected the Saudi request to destroy, or at least alter, the inadvertently, Zionist terminals, although they would have been happy to have the Saudis' business.

The Germans only gave CAL officials permission to release the news two weeks ago, even though the incident occurred two months ago, once they were certain they had lost the Saudi contract, Neikun said.

CAL uses the Cologne airport as its major European base, probably for the same reason: the Saudis wanted to: it is very well placed in relation to markets throughout Europe, weather conditions are generally good and Cologne has all the facilities of a major airport without the congestion found in other European centres, Neikun said.

Summer time

The Energy Minister this week recommended that summer time be instituted for six months each year, which would save \$5.5 million in electricity consumption. Summer time was in effect for less than four months this year.

This conclusion was reached by a panel comprising Energy Ministry officials, manufacturers' representatives, and an official of the Israel Electric Corporation.

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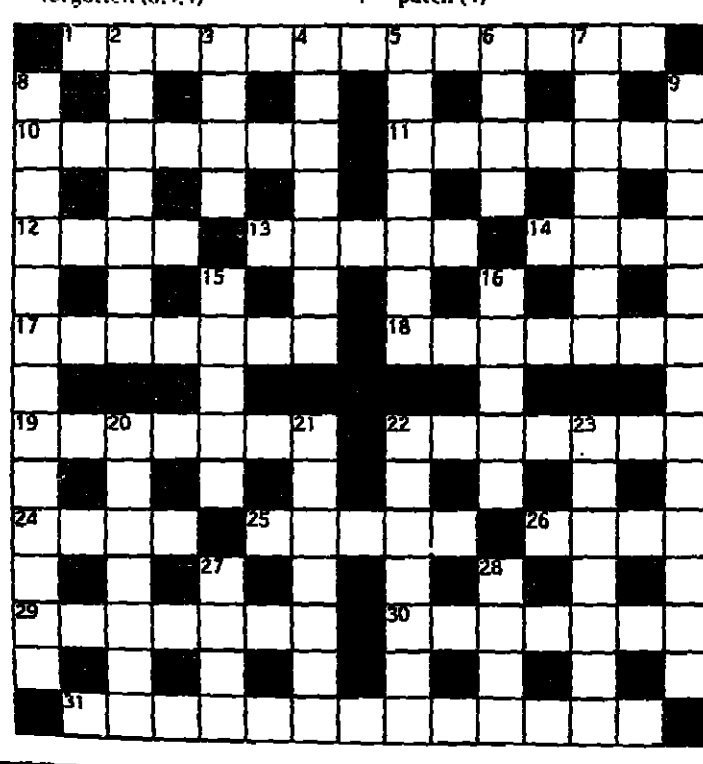
CITY

CODE

TEL

ONE-ON-ONE CROSSWORD

- ACROSS
- If so Portland's reassessment shows not return (6,3,4)
 - Further information on how to make Italian dish from the past (7)
 - A spinner of yarns is one not to be relied upon (7)
 - Something with which to wind up the Highland festival (4)
 - Stunning suit (5)
 - Record is loud in 600 (4)
 - Wends about with note in Mayfair perhaps (4,3)
 - Talk non-stop (7)
 - Artificial inducement to lay up reserve capital (4,3)
 - One doesn't make a summer drink (7)
 - Received and approved (4)
 - What the conscientious jury did (5)
 - One who draws level (4)
 - As games must be resolved it will need a rubber (7)
 - Urge whereby I am acquiring a hearty rate (7)
 - What to do with the next 16 solutions if likely to be forgotten (5,4,4)
- DOWN
- Amends suggestion to adopt a new habit (7)
 - Type used for christenings (4)
 - After art upset I went first but lagged behind (7)
 - Well known as incompetent (7)
 - Put down face up (4)
 - Cut up trees if only to use as matches (5,4)
 - Weeding season is a distressing period (9,4)
 - Linesman untangling ropes or wrecks (7,6)
 - Even when capsized it remains unaltered (5)
 - Sprinkle a bunch of flowers (5)
 - One who backs a form of gambling on so short a run (7)
 - It is assumed to be worn (7)
 - Lister evolved a cardinal point in surgical hygiene (7)
 - Base brought down by ill health (4,3)
 - Rapid way to avoid consumption (4)
 - Digging tool in the potato patch (4)



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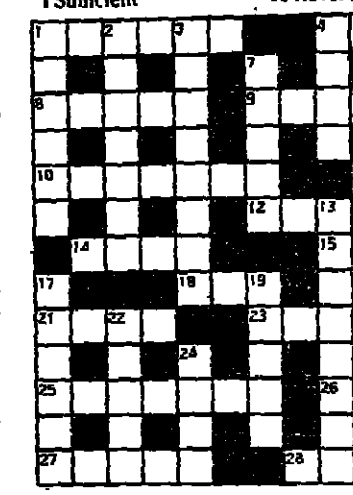
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10 Revel boisterously
- 11 Watered rum
12 In good health
14 Enthusiastic
15 Scottish island
16 College servant
21 Small brook
23 Type of rose
25 Jewish language
26 Worker's organisation
27 Chain of mountains
28 An indigent
- DOWN
- 1 Highly skilled
2 Exterior
3 Malicious pleasure
4 Kidney fat
5 Part of shoe
6 Seek food
7 Dandruff
13 Small bird
16 Profession
17 Plea to God
19 Malay boat
20 Swedish coins
22 Burdened
24 Citrus fruit

MARKET PLACE

Dollar on the downturn

The dollar will weaken over the next year, falling as low as 1.8 Deutschmarks by November 1987, while sterling will benefit from the lower dollar and prospects of the Conservative government being re-elected, according to a new study, prepared by stockbrokers Hoare Govett in the first issue of their new currency-outlook bulletin.

The lack of accord between G5 nations will continue to depress dollar sentiment, as will the continuing accommodative U.S. monetary policy.

Sterling, meanwhile, will rise back above three marks by this time next year from its current level around 2.84 marks and to \$1.67 from its present \$1.40 to 1.44 range, the study predicts.

"Despite the exchange rate accord between the U.S. and Japan, there is no indication that the monetary and fiscal policies of the G5 countries will become significantly more convergent in the next year," the outlook says.

Although the current account imbalances between the U.S., Japan and West Germany will narrow slightly, they will still remain "substantial," while further pressure on the dollar will come from the U.S. Federal Reserve's likely reliance on a loose monetary stance to keep domestic demand buoyant, it added.

"In these circumstances, sentiment towards the dollar will remain generally bearish," it says.

The dollar is currently trading around 2.02 marks and 162 yen, after recovering from lows of around 1.97 marks a couple of weeks ago and 151 yen in September.

Against the yen, the Hoare Govett outlook forecasts the dollar falling to 149.50 by the end of November, 1987. It says the recent signs of improvement in the U.S. trade deficit should not be overestimated, with the current account likely to show a deficit of \$150 billion in 1986, after \$117.7b. in 1985.

In the thin pre-Christmas markets fear of central bank intervention will keep traders reluctant to push the dollar too far either way, the outlook says. "Nonetheless, the resolve of the central banks is certain to be tested early in the new year."

Turning to sterling, the outlook predicts that the pound will benefit from the weaker dollar and from an expected recovery in the oil price to above \$18 a barrel, which will increase the likelihood of income tax cuts. Such cuts would enhance the re-election prospects of Prime Minister Margaret Thatcher's Conservative government and so underpin sterling, it said.

However, factors which now appear favorable because they improve the government's re-election chances, such as the recent announcement of increased public spending plans, could rebound after an election, the outlook said.

"To forestall another currency crisis, we believe that the next government, whatever its political complexion, will decide to participate in the exchange rate mechanism of the [European Monetary System], possibly with the same 12 per cent bands as Italy," it says. The probable early rate will be three marks. (Reuters)

SCIENCE—An agreement on cooperation between the Weizmann Institute of Science and Uruguay's National Council for Science and Technology was signed last week in Montevideo by institute president Arye Dvorkin and council president Manuel Berger.

CLASSIFIED

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Provident funds' net inflow plunges

Post Economic Staff

Net new contributions to the nation's provident funds plummeted 95 per cent in the first half of the year from the second half of 1985 to just NIS 7.5 million, the Central Bureau of Statistics reported yesterday.

The decline represented a continuation of a trend that began around 1984, but has picked up this year, as consumers have apparently opted to take the money from maturing accounts and spend it on consumer goods.

The provident funds - which include pension, retirement, unemployment and advanced-training (hishalmut) schemes - took in NIS 1.354 billion in the first half, a 14 per cent gain on the second half of 1985, but paid out NIS 1.346b., a 28 per cent rise from the previous half.

That left the provident funds with a net gain in contributions of NIS 7.5m. for the half, compared with NIS 128.6m. in the prior half.

All the provident funds suffered sharp drops in net new contributions, but the advanced-training funds took the biggest drop. They experienced a net outflow of funds amounting to NIS 58.2m. in the January-June period, compared with a net, albeit small, intake of NIS 200.0m. in the previous six months.

The advanced-training funds, which offer six-year deposits, received a huge influx of money in 1980, and thus this year saw a greater portion of their accounts mature.

PORUSH

(Continued from Page One)

thousands sending "leftists" to university while it grudgingly fractionally amounts spent on yeshiva education.

"Our *haredi* (ultra-Orthodox) children don't behave like that," he hurled at Grossman.

The Knesset had been debating a no-confidence motion by Mapam on the William Makash case, and two others, by the Democratic Front for Peace and Equality and the Progressive List for Peace on the unrest in the West Bank and Gaza.

All three motions were defeated.

McFARLANE

(Continued from Page One)

the National Security Council under Vice Admiral John Poindexter, reportedly drafted a commentary on the CIA paper which came to roughly the same conclusion.

U.S. officials said that McFarlane, Casey and other policymakers were impressed by Iran's supposedly helpful role in June last year in resolving the TWA hostage crisis in Beirut.

So when Kimche came to the White House in early July, the sources said, McFarlane, Casey and others within the administration were already somewhat receptive to an overture towards Iran, including an easing of the U.S. restrictions on arms transfers to that country.

But Secretary of State George Shultz and Secretary of Defense Caspar Weinberger strongly opposed any change in arms policy.

In fact, Weinberger is reported to have scribbled "This is absurd" in the margin of the original CIA paper on the possibility of shipping arms to Iran.

McFarlane has publicly told Congress that he received oral authorization from President Reagan in August 1985 to allow Israel to ship a modest amount of weapons to Iran. That was the start of the U.S. weapons shipment programme to Iran.

That first shipment was followed by the release of the Rev. Benjamin Wier in September, and a personal telephone call from Reagan to then-prime minister Shimon Peres expressing America's gratitude to Israel for its role in the affair.

A second Israeli shipment of weapons was made - again, with U.S. approval - in November of last year.

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hence experienced a greater outflow of funds.

The advanced-training funds experienced a 40 per cent rise in outflow to NIS 309m., compared with second-half 1985, equal to about 23 per cent of the total outflow for all the provident funds. Contributions to the advanced-training funds in the meantime, rose only 14 per cent, to NIS 251m., about 19 per cent of the total for all the funds.

The provident funds as a whole saw their assets increase 11.6 per cent in nominal terms to NIS 27.04b. in the half, but as the cost-of-living index rose 8.7 per cent, the real value of their assets edged up just 2.7 per cent.

The assets of the various types of provident funds posted real gains of between 3 and 4 per cent, while the advanced-training funds experienced a real drop of 3 per cent.

The provident funds as a group are likely to suffer further difficulties next year, as Treasury officials are contemplating ending the tax deductibility of contributions, as part of their proposed package of capital market reforms. Currently, most payments into the funds are deductible.

The Yoke'am Labour Council said Monday that management had informed it that about half of those to be laid off would be temporary hands. The labour council expressed its deep concern because some 200 of

BUSINESS BRIEFS

Treasury favours self-employed paying VAT every 2 months

Treasury officials have responded favourably to a proposal by Communications Minister Amnon Rubinstein to allow most self-employed people to make their value-added tax payments to the government once every two months instead of every 30 days.

A Communications Ministry spokesman said that Rubinstein had first recommended the idea after he permitted Bezek, the state-owned telecommunications company, to begin billing customers on a bimonthly basis instead of monthly.

In both cases, the bimonthly payments were made possible by the sharp drop in inflation in the past year and a half.

Although the Finance Ministry

has yet to determine what will be the cut-off point, it has agreed in principle that those paying relatively small VAT payments will only have to do so bimonthly. About 70 per cent of all self-employed should be covered in the new plan.

The plan should be put into effect within a month or two.

JERUSALEM'S LABOUR COUNCIL is joining forces with the Jerusalem Hotel Association (JHA) to dole out Christmas week to protest government failure to help the ailing tourism sector, council secretary Nissan Harpaz told The Jerusalem Post yesterday.

"Their struggle is our struggle. If the hotels close thousands of people will be out of work. The financial situation of Jerusalem's hotel industry has never been as crucial as it is now," he said.

JHA chairman Yehuda Greenbaum met with Harpaz yesterday morning to ensure the labour council's support should the hoteliers agree to a plan to shut the city's hotels.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:
General Share Index 123.64 +0.24%
Non-Bank Index 162.62 +0.35%
Arrangement 107.19 +0.14%
Insurance 182.04 +0.19%
Commerce, Services 188.21 +0.06%
Real Estate 201.05 +0.47%
Industries 145.63 +0.36%
Textiles 208.01 +0.25%
Metals 181.13 +2.11%
Electronics 99.91 +0.02%
Chemicals 136.00 +0.20%
Industrial Invest. 140.81 +0.16%
Investment Cos. 168.03 +0.41%
General Bond Index 115.44 +0.24%
Index-linked Bonds 117.04 +0.23%
Fully-linked 118.86 +0.30%
Partially-linked 116.05 +0.15%
Dollar-linked Bonds 94.48 +0.30%
Short-term 0-2 yrs 112.58 +0.18%
Medium-term 2-5 yrs 114.12 +0.22%
Long-term 5+ yrs 109.05 +0.34%

Turnovers:

Shares - total NIS 8,973,100
Arrangement NIS 6,007,000
Non-bank NIS 2,986,100
Bonds - total NIS 6,464,500
Index-linked NIS 3,572,100
Dollar-linked NIS 2,792,400
Treasury Bills NIS 20,068,200

Share Movements:

Advances 162 (139)
of which 5%+ 16 (23)
Declines 2 (3)
of which 5%+ 5 (4)
Unchanged 132 (34)
Trading Halt 24 (15)

Bond Market Trends:

Index-linked: 3% fully-linked Mixed to 2%
4.25% fully-linked 80% linked Stable/mixed to 1%
Double-linked Stable/mixed slightly
Dollar-linked: Generally rises to 0.5%
Admon Generally rises to 0.5%
Rimon Generally rises to 0.5%
Gilboa Generally rises to 0.5%
For. Curr. Mixed to 1%
denominated Treasury Bills (annual yield) 20.20%-21.50%

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no trading 11950 100 +0.2
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Macquarie 1 5380 271 -
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Hasehah r 325 25416
Phoenix 0.1 732 2180 -
Hemishmar 8900 51 -0.9
Menorah 1 2250 200 +1.4
Sahar 8725 145 -
Zion Hold. 1 8730 -

Commercial Banks

(not part of "arrangement")
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General non-arr. 21500 27 -0.9
First Int'l 3570 2341 +1.7
FBI 6580 1925 +2.1

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Discount 104360 83 +0.4
Mizrahi 33840 514 -
Hapoalim r 55420 1997 -
General A 141650 11
Leumi 0.1 35320 2412 +0.3
Fin. Trade 50280 - -2.3

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Merav r 6380 83 +4.9

Trade pact initialled with EC

BRUSSELS (Reuters). - The European Community Executive Commission has initialled a new preferential trade agreement with Israel as part of the community's special scheme for Mediterranean nations, a commission spokesman said yesterday.

It is the fourth to be signed between the EC and 12 non-EC Mediterranean countries.

Similar agreements were initialled last week with Lebanon, Turkey and Egypt, and all four will become formal when negotiations are completed on other aspects of economic relations with the EC.

The new agreements came shortly after EC member states ended months of bickering on how to deal

with their southern neighbours after the accession of Spain and Portugal to the EC earlier this year. Later the initialling of an accord with Israel was held up about two weeks on technical disputes over orange juice concentrate quotas.

The package is meant to provide Mediterranean states, which also include Morocco, Algeria, Tunisia, Jordan, Syria, Malta, Cyprus, Turkey and Yugoslavia with guaranteed but limited preferential access to EC markets.

The EC has extended preferential trade status to the West Bank and Gaza Strip, but its implementation has been delayed over the EC's opposition to Israeli government agricultural bodies playing a role in exports from the territories.

Soltam plans to dismiss 450

Jerusalem Post Reporter
HAIFA - Soltam Ltd., the Koor Ltd.-owned armaments maker, intends to dismiss another 450 workers at its Yoke'am plant.

The Yoke'am Labour Council said Monday that management had informed it that about half of those to be laid off would be temporary hands. The labour council expressed its deep concern because some 200 of

the workers were local residents for whom no alternative employment is available.

Soltam is still competing for a large U.S. Army order for mortars and shells which has not yet been placed. It was learned that the competition, from various countries, is stiff and that even if Soltam wins the tender it would still have to reduce its staff.

THE HAIFA MUNICIPALITY will shortly publish an international tender for the renovation of its Carmelit subway and for the construction of a 14 kilometre extension to the line.

Mayor Arye Gur-Ei, who returned yesterday from the meeting of the executive of the International Union of Local Authorities, said that several companies in France, Germany and Spain have expressed interest in the project.

The successful bidder will also win the right to operate the subway.

MABAT LTD., a manufacturer of kitchen cabinets and wall units, was sold by the Jewish Agency to Rim Industries Ltd. for \$300,000, to be paid in three instalments beginning next April, it was reported yesterday.

Arye Dulzin, Jewish Agency chairman, said Mabat, which was established by the agency in the development town of Netivot, had been able to narrow its big losses in recent years, enabling a buyer to be found. The company had been created to provide the town with employment.

FINANCIAL DATA ISRAEL, EUROPE, U.S.

ISRAEL MONEY MARKETS

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.58% per month
Unlinked Deposit (Annual Rates)

Last Updated	Tapas	Pakam 7-Day	Pakam 30-Day
LEUMI 8.12	7-16.00%	8-16.50%	8-18.75%
HAPAOALIM 20.11	10-16.50%	11-17.50%	13-18.00%
DISCOUNT 19.11	10-16.00%	10-16.50%	14-20%
MIZRAHI 1.12	8-17%	6-17.50%	6-19.50%
FIRST INT'L 11.11	10-16%	11-17.20%	13-19.50%

Rates vary according to size of deposit.
(Tapas: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 50 days.)

PATAH - FOREIGN CURRENCY DEPOSIT RATES (December 9)

MINIMUM DEP	3-MONTHS	6-MONTHS	12-MONTHS
USD (\$100,000)	5.375	5.250	5.250
SGD (100,000 pounds)	3.750	3.875	3.875
DMK (100,000 marks)	3.875	3.875	3.875
SFR (50,000 francs)	3.125	3.125	3.000
YEN (3,000,000 yen)	2.750	2.750	2.750

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES (December 9)

Currency basket	Buy	Sell	Rep.
U.S. Dollar	1.4870	1.5080	1.4937
Deutschmark	0.7381	0.7483	0.7427
Pound Sterling	2.1113	2.1378	2.0612
French Franc	0.2252	0.2280	0.2285
Japanese Yen	0.0145	0.0149	0.0148
Dutch Florin	0.0633	0.0615	0.064
Swiss Franc	0.8842	0.8953	0.8884
Swedish Krone	0.2138	0.2165	0.21
Norwegian Krone	0.1972	0.1987	0.19
Danish Krone	0.1981	0.1981	0.1981
Finnish Mark	0.3008	0.3046	0.29
Canadian Dollar	1.0787	1.0922	1.0511
Australian Dollar	0.8678	0.8800	0.92
S. African Rand	0.8877	0.8760	0.83
Belgian Franc	0.3529	0.3574	0.35
Austrian Schilling	10	10.497	10.08
Italian Lira	1000	1.0657	1.0791
Jordanian Dinar	1	—	4.07
Egyptian Pound	1	—	0.74
ECU	1	1.5371	1.5564

SUPPLIED BY BANK LEUMI

EUROPEAN FINANCIAL MARKETS

